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Daily Report
East Europe

FBIS-EEU-96-066 *4 April 1996*

CONTENTS

NOTICE: This volume contains a representative selection of material previously disseminated in softcopy format.

BULGARIA

Bulgaria: Merits of Balkan Defense Ministers Meeting Viewed *[DUMA 4 Apr]* 1
Bulgaria: SDS Council Denounces Yeltsin's Statement *[DEMOKRATSIYA 30 Apr]* 1
Bulgaria: Cabinet Reaction to Yeltsin Move Seen as Delayed *[DUMA 1 Apr]* 2

CZECH REPUBLIC

Czech Republic: Official on NATO, Russian Reservations *[PRAVO 2 Apr]* 3
Czech Republic: Russian Statement About NATO Clarified *[PRAGUE POST 5 Mar]* 3
Czech Republic: Ministry on Embargo Against Former SFRY *[MLADA FRONTA DNES 29 Mar]* .. 4

SLOVAKIA

Slovakia: Schenk Discusses EU's Turin Summit *[NARODNA OBRODA 1 Apr]* 5
Slovakia: Ukrainian Defense Minister Confirms Neutrality *[Bratislava Radio]* 6
Slovakia: Ethnic Leader on Hungarian Treaty Issue *[Budapest Radio]* 6
Slovakia: Hungary's Response to Treaty Ratification Viewed *[SLOVENSKA REPUBLIKA 28 Mar]* 7
Slovakia: Meciar on Opposition Efforts To 'Paralyze' SIS *[SLOVENSKA REPUBLIKA 29 Mar]* 7
Slovakia: MKDH Holds Assembly, Elects Leadership *[NARODNA OBRODA 1 Apr]* 8
Slovakia: ZRS Deputy Elected Leader of New Workers Party *[SME 1 Apr]* 9
Slovakia: HZDS To Reflect New Territorial Arrangement *[SLOVENSKA REPUBLIKA 1 Apr]* 9

HUNGARY

Hungary: Article Views Proposals of 'NATO Skeptics' *[MAGYAR HIRLAP 3 Apr]* 11
Hungary: Editorial Offers Perspective on Peace in Bosnia *[NEPSZABADSAG 3 Apr]* 12
Hungary: Government Criticized for Slovak Treaty *[UJ MAGYARORSZAG 3 Apr]* 12
Hungary: Finance Minister on Economic Goals, OECD *[MAGYAR HIRLAP 30 Mar]* 13
Hungary: Editorial Views Issues at MSZP Congress *[NEPSZABADSAG 1 Apr]* 15
Hungary: MDNP Official Views Opposition Prospects *[UJ MAGYARORSZAG 26 Mar]* 16
Hungary: Former Smallholder Party Official Reaction to Charges Seen *[MAGYAR NEMZET 23 Jan]* 17

BOSNIA-HERZEGOVINA

B-H: Bosnian Serbs Deny Involvement in Brown Plane Crash *[Ljubljana Radio]* 19
B-H: IFOR Seizes 7 Serb Tanks, Crews in Exclusion Zone *[VECERNJE NOVINE 3 Apr]* 19
B-H: Serb Republic PM Arranges $100-Million Greek Credit *[VECERNJE NOVOSTI 2 Apr]* 19
B-H: Karadzic Comments on Serb Assembly Session *[Pale TV]* 19
B-H: Serb Military Abolishes Permits To Cross Into FRY *[NASA BORBA 3 Apr]* 20
B-H: Serb Colonel Released From Hague, Jailed in Sarajevo *[AFP]* 20
B-H: Serbs Exhume 110 Bodies From Mrkonjic Grad Mass Grave *[SRNA]* 21
B-H: Federation Forum Created To Help Implement Agreements *[Sarajevo Radio]* 21
B-H: Ganic Hails Albanian Plan To Open Embassy in Sarajevo *[Tirana Radio]* 22
B-H: Prlic, Albanian FM View Relations, Dayton Accord *[Tirana TV]* 22
B-H: Izetbegovic Criticized for Making 'Compromises' *[SVIJET 29 Feb]* 23
B-H: 21 Parties, Organizations Sign Integrity Declaration *[Sarajevo Radio]* 24
B-H: Social Democrats Denounce Declaration on Integral State *[Sarajevo Radio]* 25

B-H: HDZ Refuses To Sign Declaration on Integral Bosnia *[Sarajevo Radio]* 25
B-H: Gen Dudakovic Interviewed on IFOR 'Weaknesses' *[Sarajevo Radio]* 25
B-H: Plan Viewed for U.S. Troop Withdrawal by 20 Dec *[VECERNJE NOVINE 3 Apr]* 26
B-H: Elections Expected With 'Great Impatience' *[TANJUG]* 26
B-H: RS' Plavsic Comments on Upcoming Elections *[Bad Vilbel VESTI 2 Apr]* 27
B-H: Liberal Party Leader: SDA To Dominate Elections *[VECERNJI LIST 2 Apr]* 29
B-H: SPRS Defies 'Heinous Allegations' on Party Activity *[Belgrade TV]* 30
B-H: Commentary Views SDA, HDZ Strategies in Tuzla *[OSLOBODJENJE (Bosnian) 27 Mar]* 30
B-H: Posavina Canton Formed in Northeast Bosnia *[Mostar Radio]* 31
B-H: Turkey To Open General Consulate in Mostar *[Sarajevo Radio]* 32
B-H: Rail Between Yugoslavia and Serb Republic Restored *[SRNA]* 32

CROATIA

Croatia: Tudjman Appoints Brown Crash Probe Commission *[Zagreb Radio]* 33
Croatia: Tudjman Cancels Engagements After Air Crash *[Zagreb Radio]* 33
Croatia: PM Meets With Head of IFOR Logistics *[Zagreb Radio]* 33
Croatia: UNTAES' Schoups Views Deployment in E. Slavonia *[Beli Manastir Radio]* 33
Croatia: Ambassador Albright's Recent Visit Criticized *[Beli Manastir TV]* 34
Croatia: Media 'Propaganda' Against Bosniaks Analyzed *[GLOBUS 29 Mar]* 35
Croatia: Refugee Serbs Plan Collective Return *[Beli Manastir Radio]* 37
Croatia: Beli Manastir Council Discusses Settlement *[Beli Manastir TV]* 38
Croatia: Zagreb's Attitude Toward Return of Serbs Assailed *[Beli Manastir Radio]* 38
Croatia: Logistics General Views Army Equipment *[NEDELJNA DALMACIJA 29 Mar]* 39

THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA

FYROM: Albania's Serreqi Meets PDP Official *[BOTA SOT 3 Apr]* 43
FYROM: Aegean Macedonians Want Unrestricted Greek Visas *[MIC]* 43
FYROM: Opposition To Campaign for Early Election *[NOVA MAKEDONIJA 2 Apr]* 43
FYROM: Reaction to Proposal To Dismiss Assembly *[NOVA MAKEDONIJA 3 Apr]* 45
FYROM: Government's Response to Initiative Analyzed *[DNEVNIK 30-31 Mar]* 46

POLAND

Poland: Russian Deputy Prime Minister's Visit Reported *[Warsaw TV]* 47
Poland: Kolodko, Russian Minister Davydov Discuss Debts *[PAP]* 47
Poland: Military Supplies Accord Signed With Russia *[Warsaw Radio]* 47
Poland: Foreign Minister. West Afraid To Offend Russia *[PAP]* 48
Poland: Deputy Foreign Minister on NATO, Russia *[SZTANDAR 27 Mar]* 48

ROMANIA

Romania: Iliescu Discusses Domestic, Foreign Issues *[Bucharest Radio]* 51
Romania: Iliescu Answers Journalists' Questions *[Bucharest Radio]* 57
Romania: Hungarian Party Leader Not Optimistic on Treaty *[Budapest Radio]* 59

SLOVENIA

Slovenia: European Parliament's Haensch on EU Membership *[TANJUG]* 60
Slovenia: Questions Regarding F-16 Affair Raised *[DELO 29 Mar]* 60
Slovenia: Defense Minister Bars New Military Magazine *[MAG 27 Mar]* 61
Slovenia: Future Economic Ties to Ex-Yugoslavia Surveyed *[EKONOMSKA POLITIKA 26 Feb]* ... 61

YUGOSLAVIA

Federal

FRY: Milutinovic Meets With U.S. Senate Delegation *[TANJUG]* 64

FRY: 'Best Possible' Relations Hoped For With Croatia *[TANJUG]* 64
FRY: Government Tightens Economic Controls *[EKONOMSKA POLITIKA 12 Feb]* 64

Serbia

Serbia: Arkan Says 'Serbian Volunteer Guard' To Disband *[DNEVNIK 30 Mar]* 65
Serbia: Djindjic Queried On Accusations Against Marjanovic *[NASA BORBA 2 Apr]* 66
Serbia: Prosecutor Hopes To 'Expand' Djindjic Probe *[TANJUG]* 67

Kosovo

Kosovo: Serb Police Prevent Albanian Party Convention *[KOSOVA DAILY REPORT]* 67
Kosovo: Changes in Status of Kosovo Expected *[VECER 10 Feb]* 67

Bulgaria: Merits of Balkan Defense Ministers Meeting Viewed

AU0404135096 Sofia DUMA in Bulgarian 4 Apr 96 p 9

[Commentary by Vasil Popov: "Bulgaria is a Key Word in Balkan Security"]

[FBIS Translated Text] Our Defense Minister Dimitur Pavlov has repeatedly pointed out that we approached our participation in the meeting of the southern Balkan defense ministers with certain doubts. Pavlov was not listed among the participants until the last moment, when the small Yak-40 took off from Sofia airport.

It would have been very simple for Bulgaria to refuse to participate in the meeting, thus turning the U.S. initiative, which almost failed because of the absence of the Greek defense minister, into a complete failure.

The cabinet and Pavlov selected the more difficult variant: to participate and to try to convince his colleagues that Balkan security can only be constructed with the active participation of all the countries in the region and the political commitment of the great powers and the European structures.

Another thing also became very clear: The Balkan region is practically indivisible, because, regardless of what lines are drawn and axes formed—northern and southern, eastern and western—Bulgaria will always be in the center. It is a part of any geographical configuration. Since it must be taken into consideration that our country has succeeded in protecting itself from being drawn into conflicts, we are destined to play the role of a stabilizing factor. This is well understood by all the others.

The absence of Greece from the table in Tirana and the fact that several countries did not receive an invitation formed the awkward vacuum, which was evident even before the talks began. Albanian President Sali Berisha's statement that the United States, Italy, and Turkey are the foundation of Balkan stability, sounded, to put it mildly, strange.

Against this background, the Bulgarian defense minister found the right moment to promote the idea of inviting all the Balkan defense ministers to Sofia. He obtained the immediate consent of all participants. Furthermore, William Perry was the first to support the initiative. The Pentagon chief said that Washington accepted the invitation and that he hoped to meet Grachev in Sofia. It was very indicative that during the discussion Perry repeatedly came to Minister Pavlov's place at table and exchanged thoughts with the stolidly calm retired admiral.

It would be naive to think that Pavlov launched the idea about the Sofia meeting in an impulsive manner and that it was a lucky idea. There is no room for improvisation in this sphere. The Bulgarian defense minister admitted to journalists that preliminary talks with the representatives of all the defense ministries have been held and that all of them agreed to the idea in advance.

The meeting of all the Balkan defense ministers, without exception, has an even deeper meaning when one considers that it will be preceded by an analogous meeting of Balkan foreign ministers. The talks of the foreign ministers will differ from those of the defense ministers. If in Tirana the defense ministers discussed new confidence-building measures in the military sphere, more complicated regional problems will be discussed in Sofia.

Without underestimating the already operative bilateral security and confidence-building measures, one must remember that in the Balkans almost every dispute or conflict usually breaks out of the framework of bilateral relations. The Yugo-conflict prompted the emergence of huge weapon arsenals in former Yugoslavia. Its former republics have not signed the CFE Treaty, while Bulgaria, Greece, Turkey, and Romania have implemented the cuts prescribed by the Vienna document. The existing imbalance is a basic concern to our country. The Bulgarian politicians and military do not miss the chance of mentioning this to all visitors and at all forums.

A chance is emerging for all interested countries to discuss all common problems. It is very important that Perry and Grachev, and representatives of the EU and OSCE [Organization for Security and Cooperation in Europe] come to Sofia. The world should finally understand that the Balkan region reaches out beyond the narrow interests of the superpowers, and that it is high time that the "powder keg" be defused.

Bulgaria: SDS Council Denounces Yeltsin's Statement

AU0404125696 Sofia DEMOKRATSIYA in Bulgarian 30 Apr 96 p 1

[Declaration by the National Executive Council of the Union of Democratic Forces; place and date not given: "Unprecedented Provocation Against Our National Independence"]

[FBIS Translated Text] Yesterday Russian President Boris Yeltsin mentioned Bulgaria as a country that might sign the agreement on intensifying cooperation between Russia, Belarus, Kazakhstan, and Kyrgyzstan.

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Thus, Bulgaria has turned out to be the only country outside the former Soviet Union that is cited by the Kremlin as a potential new partner within the framework of the agreement.

Whereas in 1963 Bulgaria narrowly missed becoming the 16th Soviet republic, today we are offered the place of the fifth republic in the Euro-Asiatic alternative to the European Union that Moscow has devised.

The SDS [Union of Democratic Forces] regards President Yeltsin's statement as an unprecedented provocation against Bulgaria's national sovereignty, our national foreign policy, and our national right to choose. The Russian president would not have permitted himself to act in this way, were it not for the favorable attitude shown by the ruling Socialists in Bulgaria.

We note that the statement comes after President Yeltsin's meetings in Moscow with Bulgarian Prime Minister Zhan Videnov and National Assembly Chairman Blagovest Sendov. This fact proves that the SDS was right to demand Sendov's resignation.

The SDS considers the ruling party's current behavior to be a repetition of the treachery of Zhivkov's Politburo in 1963.

With a view to defending the national sovereignty and national security of the Republic of Bulgaria, the SDS demands that our country be integrated into the EU and the NATO organization.

The SDS demands that it be immediately supplied with a full transcript of what President Yeltsin said.

The SDS insists that the Bulgarian Government immediately and categorically decline the Russian president's invitation.

Bulgaria: Cabinet Reaction to Yeltsin Move Seen as Delayed

AU0404132696 Sofia DUMA in Bulgarian 1 Apr 96 p 7

[Commentary by Plamen Enchev: "Delayed Reaction"]

[FBIS Translated Text] Yeltsin is inviting Bulgarian to join the new union. This news flashed round the country and entered the mouths of the politicians, mainly those of the opposition and, of course, President Zhelev. He found this piece of news very welcome, particularly in his role as presidential candidate.

The wailing was very loud and still continues, perhaps with good reason, because Bulgaria is a sovereign and independent state. Even very many years ago, when some people were trying to annex us to the East, this did not happen by means of public invitations, not to mention the issue of our Warsaw Pact membership.

We may presume that Boris Nikolayevich did not mention our country's name purely by chance, just to see if he could shock the West with his ideas. Alternatively, we might assume that it is a question of a slip of the tongue, which may have been a bit thick at the time....

In general, many guesses are possible. However, they test our politicians' ability to react properly to the situation.

We must admit that the government's reaction came late. It was semi-official, not to say personal in nature. This gave SDS [Union of Democratic Forces] leader Ivan Kostov an opportunity to play on the feelings of ordinary Bulgarians and turn them against the cabinet. Again, Zhelyu Zhelev did not hesitate to speak about national treason and so forth.

The government of the Democratic Left has repeatedly stated that Bulgaria will maintain an independent foreign policy and strive toward integrating the country into European and euro-atlantic structures. The facts so far demonstrate that the executive and Bulgarian diplomacy are working undeviatingly in this direction.

It would therefore have been appropriate for a government spokesman to appear on television on Friday or Saturday and explain what the government thinks about Yeltsin's ideas, even if we consider them to be frivolous.

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Czech Republic: Official on NATO, Russian Reservations

AU0204165396 Prague PRAVO in Czech 2 Apr 96 p 6

[Interview with Jaromir Novotny, senior director of the Czech Defense Ministry's Foreign Relations Section, by Jiri Roskot in Prague; date not given: "Our Dialogue With NATO Has Already Begun"]

[FBIS Translated Text] [Roskot] NATO decided last December to commence individual talks with those interested in membership. What has been their fate?

[Novotny] NATO Deputy Secretary General Gebhardt von Moltke declared the Alliance's talks with the Czech Republic open in mid-March. At that time, the Czech ambassador submitted to him in Brussels the pertinent document drafted in Prague by the Defense and Foreign Ministries.

[Roskot] What does the document contain?

[Novotny] In one part, Czech views are expressed consecutively on all 49 points of the NATO study on its future enlargement and, in the other, there are six sections, each with several questions, that we would like to discuss with NATO. For example, the Czech Republic's incorporation into the Alliance's command structures. The Czech Republic was the first to submit its questions to NATO. An inter-ministerial group has already been established in our country to discuss admission into NATO; this has shifted the whole process onto a government level.

[Roskot] Russia's reservations concerning NATO's enlargement have become all the more emphatic recently....

[Novotny] Representatives from the Russian Armed Forces, in Prague on 27 and 28 March, insisted that the world and politics are changing and that the potential threat from an enlarged NATO could turn into a real threat for Russia in the future. They said this during the regular Czech-Russian staff talks. They pointed out that their country would also be threatened directly by the possible deployment of tactical nuclear weapons on the Czech Republic's territory. According to them, NATO should be dissolved like the Warsaw Pact and only Europeans should administer Europe. Nevertheless, our exchange of views was matter of fact and open.

[Roskot] Where do you see the key to the Czech Republic's security?

[Novotny] During the staff talks with Russia, I said that the Czech Republic is interested in the U.S. presence as we continue to consider the United States also to be a European power and a stabilizing factor on the continent. NATO is the only organization that makes this role possible for the United States in Europe. After all, it has been proven that not even the current peacekeeping operations in Bosnia could have taken place without the United States.

Czech Republic: Russian Statement About NATO Clarified

96CH0070B Prague PRAGUE POST in English 5 Mar 96 p 4

[Article by Siegfried Mortkowitz: "Russia Insists Nuclear-Energy Minister Was 'Mistranslated'"]

[FBIS Transcribed Text] The Russian Ministry of Nuclear Energy assailed the accuracy of a WASHINGTON POST article in which the minister was quoted as saying that if NATO deployed nuclear weapons in Central and Eastern Europe, Russia would have to respond with force.

"Foreign reporters incorrectly translated the minister's words," ministry spokesman Georgi Kaurov said in a formal statement. "(Viktor) Mikhailov is too experienced to make such a declaration."

Mikhailov, a member of Russia's National Security Council, was quoted in the interview as saying that since he is responsible for Russia's nuclear security, he would have to take adequate measures to destroy sites in the Czech Republic, Poland and Hungary if NATO placed nuclear weapons there.

The WASHINGTON POST described Mikhailov as being red-faced and smelling of alcohol during the interview.

In his statement, Kaurov also said that if NATO deployed nuclear weapons in the former Soviet-bloc nations, Russia could aim its own nuclear rockets at these countries. "This does not mean, however," Kaurov added, "that we would respond with nuclear strikes against NATO military installations placed in these countries."

Indirectly commenting on the Mikhailov interview, Russian Foreign Minister Yevgeny Primakov said on Russian television that the problem of NATO enlargement would have to be solved politically, not militarily.

Sources at the NATO headquarters in Brussels told THE PRAGUE POST that, for the time being, there is no need for the alliance to change its nuclear posture. Regarding NATO enlargement, the sources explained that, in a crisis, new members must be prepared to accept NATO forces on their territory, and these could include nuclear weapons. But there are no plans at the moment to have nuclear weapons based permanently

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on new members' territory or for the deployment to be altered from the present situation.

The first new NATO members are expected to join the alliance by the year 2000. A diplomatic source close to NATO said that it is likely that the Czech Republic would be among the first, if not the first, of the former Soviet-bloc nations to be invited to become a NATO member.

Czech Republic: Ministry on Embargo Against Former SFRY

AU0304154896 Prague MLADA FRONTA DNES in Czech 29 Mar 96 p 2

[Report by "(gag, ina)": "The State Is Maintaining the Arms Embargo Against the Former Yugoslavia"]

[FBIS Translated Text] Prague—The Czech Republic will not, even in the future, export arms to the countries of the former Yugoslavia, despite the fact that, in mid-March, the UN Security Council decided to annul the arms embargo against these states.

On Wednesday [27 March], the Foreign Ministry submitted its point of view to the government; according to this, it is necessary to continue the embargo. "The cabinet made note of this point of view without comment," said Eva Ticha of the government's press department.

The state has thus associated itself with the decision made by the European Union countries, which—regardless of the UN resolution—decided earlier to continue the arms embargo.

At the same time, the domestic authorities do not share the same opinion on the arms embargo against the states of the former Yugoslavia. While the Trade and Industry Ministry and civilian counterintelligence have endorsed the Foreign Ministry's point of view, Interior Minister Jan Ruml is convinced that the republic could now export arms to the Balkans. "The minister said that it is unnecessary to continue the embargo," stated his spokesman, Jan Subert.

Karel Boruvka of the Foreign Ministry provided an explanation of his department's point of view. He said that it is necessary to continue the arms embargo in view of the republic's endeavor to join the EU. Moreover, diplomats and army experts think that the participation of the Czech battalion in the IFOR [Implementation Force] forces operating in Bosnia carries the same weight in the decisionmaking on this measure. "After all, we cannot export military materials to the Balkans and, at the same time, send troops there to keep the peace," declared a senior diplomat who refused to give his name.

Until the imposition of the embargo on exporting arms to the countries of the former Yugoslavia, which the UN Security Council decided on in 1991, the former Czechoslovakia exported to the Balkans several dozen tanks per annum, while the value of the contracts did not exceed 0.5 billion korunas.

Omnipol's commercial deputy director, Frantisek Kurka, whose company mediated almost all of the arms contracts with the Balkans until the imposition of the embargo, thinks that Czech firms have a considerable chance of being of assistance in the countries of the former Yugoslavia in restoring the arms industry destroyed by the war. However, the law on exporting military material also relates to this assistance.

Neither the United States nor Russia, however, endorse the continuation of the embargo on arms exports to the republics of the former Yugoslavia. Russian President Boris Yeltsin has even decreed that his country should cease to limit the sale of military materials to the Balkans as of June.

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Slovakia: Schenk Discusses EU's Turin Summit

AU0404081296 Bratislava NARODNA OBRODA in Slovak 1 Apr 96 pp 1, 6

[Report on interview with Slovak Foreign Affairs Minister Juraj Schenk by Alexander Polakovic in Turin; date not given: "Negotiations on Integration Will Take Place With All Associate Countries at the Same Time"]

[FBIS Translated Text] Turin—Susanna Agnelli, minister of foreign affairs of Italy, the country presiding over the EU, on 30 March informed representatives of 11 EU associate countries, including Malta and Cyprus, on the program of the EU Intergovernmental Conference [IGC], which the heads of government of the Fifteen had approved at an extraordinary session of the European Council in the Lingotto conference center in Turin.

As Slovak Minister of Foreign Affairs Juraj Schenk said in an interview for NARODNA OBRODA and PRAVDA, all representatives of associate countries present appreciated the invitation to Turin as an important symbolic expression of their belonging to this international organization. The IGC discussion, which, according to Agnelli, should last approximately one year, will focus on three important points: It should bring the EU closer to the citizen, modify its institutions, and define a common foreign policy.

As Juraj Schenk said, the important issue for us is at which plane the question of the EU's enlargement finds itself now. We realize that, for the Union to be able to expand, it is first necessary for it to undergo internal modification, associated with the gradual solution to problems of principle.

The practical question is how long these discussions will take. Agnelli assured the representatives of associate countries that there is an endeavor to wind them up within a year. Thereafter, it will be possible to commence consultations will all of them simultaneously about their future integration into the Union.

The conclusions of the European summit in Madrid were modified in Turin in this sense, according to Juraj Schenk. The date of the commencement of consultations is subject to different interpretations (Czech Foreign Minister Josef Zieleniec, for example, spoke about six months after the conclusion of the IGC), but Juraj Schenk views these talks as a long-distance run, which means that not all candidates for EU membership need reach the finish at the same time.

The invited representatives of associate countries had an opportunity unofficially to exchange views already during a common dinner in the Royal Palace on 29 March, which was hosted by Agnelli. Juraj Schenk said that, during these talks, he encountered very positive reactions to the ratification of the basic treaty between Slovakia and Hungary.

While no decision was made in Turin about the timetable of integrating the associate countries, which, according to Juraj Schenk, could not even be expected in view of the extremely vast agenda of the IGC, what matters is that the conference started and will take place very intensively at the level of experts, who will concurrently deal with all the problems that have been raised. They will meet for two days every week. Ministers will be meeting at monthly intervals. Asked whether our side expressed an interest in explaining its views in greater detail during the expert talks, Juraj Schenk stressed that only member countries can directly decide but that the associate countries want to be informed often and in detail and put forward their own suggestions expressing their interests. "The structural dialogue will continue. Therein it is stated precisely, at which intervals we can make our recommendation, which, of course, are not binding on the EU. In spite of this, we regard it as a good signal that our demand to be thoroughly informed was taken into consideration and that, also as a result of the course of the discussions, at least some of the recommendations will be accepted," Juraj Schenk said.

Regarding the very topical problem of working out a European project in support of employment and competitiveness and Slovakia's possible participation in the project of trans-European transport networks, Juraj Schenk confirmed Slovakia's preparedness to assume not only obligations on entering the EU, but to also make use of the advantages stemming from membership.

"In addressing the problems of unemployment, Slovakia is not oriented in this direction alone, but seeks its own internal resources as well as other external possibilities, which cannot center on West European countries alone. Our proposal to enlarge the Central European Free Trade Agreement [CEFTA] should permit not only the free movement of goods but also of labor. The EU confirmed this project unequivocally because it poses no threat to it," Juraj Schenk declared. If we became EU members, the movement of labor and persons would be guided by regulations valid in the EU. However, this does not rule out trade cooperation with non-member countries.

In this context he referred to his lecture at the Turin University where, at a conference on European cultural diversity and the integration of Europe, he came up with the thesis that European integration must not be understood in a simplified form because it has four dimensions—a transcontinental dimension, the EU's ex-

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pansion and deepening, the establishment of mechanisms in support of integration (such as CEFTA), and a last dimension, which has not been given any consideration thus far: the establishment of mechanisms for maintaining relations between countries that will become integrated into the EU and European states that will remain outside the EU. Integration notwithstanding, it is in everyone's interest to preserve in Europe ethnic identity and cultural diversity, Juraj Schenk said in conclusion.

Slovakia: Ukrainian Defense Minister Confirms Neutrality

LD0304135396 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1000 GMT 3 Apr 96

[FBIS Translated Excerpt] Ukrainian Defense Minister Valeriy Shmarov is continuing his official visit to the Slovak Republic. Miroslav Minar reports on his activities this morning:

[Minar] [passage omitted] Valeriy Shmarov was received in Primatial Palace by Slovak President Michal Kovac. They noted that relations between Ukraine and Slovakia have developed well since the birth of independence of the two countries. Relations are friendly and mutually beneficial. Michal Kovac praised the fact that military cooperation with our biggest neighbor is beneficial for stability and trust in this part of Europe.

The Ukrainian defense minister then visited the National Council of the Slovak Republic. Imrich Andrejcak, chairman of the Defense and Security Committee, briefed him on the structure and activity of the committee and the functioning of democratic control of the armed forces.

The current European integration process, Slovak attempts to join the transatlantic security structures, Ukraine's attitude to the expansion of NATO—these and other questions were discussed at the meeting between Ukrainian Defense Minister Valeriy Shmarov and Slovak Foreign Minister Juraj Schenk.

Ukraine is building on the fact that entry into NATO is an internal affair for every country interested in it. This is also the attitude it has toward Slovakia. In connection with expanding the alliance, Ukrainian politicians stress the need to take into account the question of their own country's security. Valeriy Shmarov said today that Ukraine is not striving to enter NATO nor any other military political blocs. It is striving to adhere to the principles of neutrality. This, however, does not mean that they are not interested in cooperation with NATO within the Partnership for Peace program. Our eastern neighbor was the first country of the former USSR to join the project.

A short while ago, Ukrainian Defense Minister Valeriy Shmarov and Slovak Defense Minister Jan Sitek signed a protocol on expanding military cooperation. [passage omitted]

Slovakia: Ethnic Leader on Hungarian Treaty Issue

LD0204204496 Budapest Kossuth Radio Network in Hungarian 1830 GMT 2 Apr 96

[FBIS Translated Excerpt] In light of recent developments regarding the Hungarian-Slovak basic treaty, Miklos Duray, chairman of the ethnic Hungarian Coexistence movement of Slovakia, urges closer cooperation between the Hungarian parties of the Upper Region [Felvidek, Slovakia]. He talked about this at the congress of the Hungarian Christian Democratic Movement at the weekend. Janos Dezsoe interviewed the Coexistence movement leader:

[Begin recording] [Duray] First of all, I wanted to call the representatives' attention to the fact that our present situation in Slovakia can only be compared to two periods in history: the few years following 1945, what we call the era of deprivation of rights [jogfosztottsag korszaka], and the period of the fifties; for a regime of dual oppression is beginning again: political oppression which, in general terms, bu[illegible] everybody via the strengthening of the totalitarian [illegible]tical power; and national oppression by strengthening national totalitarianism. The parties of the Hungarian Coalition have to lead the Hungarians of Slovakia out of this situation. [passage omitted]

[Dezsoe] Hungarian foreign policy has been criticized in the past few days in connection with the Hungarian-Slovak treaty. What is your opinion about this?

[Duray] I am afraid one has to say that the Hungarian Government has totally let the basic treaty slip out if its hands, for it has made no diplomatic attempts to limit the Slovak Government's scope of action and to prevent it from adopting the well-known steps. [passage omitted]

Second, the kind of statements made on behalf of the Hungarian Government indicate that it either does not understand what is going on in Slovakia, that is, it does not understand the significance of such a decision, or it wants to play down this issue, which, unfortunately, is very dangerous and harmful regarding the future. [end recording]

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Slovakia: Hungary's Response to Treaty Ratification Viewed

AU0204141896 Bratislava SLOVENSKA REPUBLIKA in Slovak 28 Mar 96 p 3

[Commentary by Jergus Ferko: "Transdanubian Treaty Maneuvres"]

[FBIS Translated Text] On 26 March, the National Council of the Slovak Republic ratified by a large majority of votes (119) the basic Slovak-Hungarian treaty, almost exactly one year after its signing. The ratification can be assessed as a significant step toward historic reconciliation with our southern, and still the most problematic, neighbor.

Hungarian politicians had repeatedly criticized the Slovak Parliament for being in no great hurry to ratify the treaty. In doing so, they failed to notice that the reasons for this slow pace mostly rested on the southern side of the Danube. It is a fact that Budapest still has not been able to shed its great Hungary habit of interfering insensitively in Slovakia's exclusively internal political affairs. Istvan Szent-Ivanyi, state secretary at the Hungarian Ministry of Foreign Affairs, in particular, excelled in this in the last couple of weeks. Even on the eve of ratification, he did not deny himself several attacks in this spirit. In an interview for the [Hungarian-language Bratislava] daily UJ SZO (22 March), for example, he claimed that the Slovak draft law on territorial and administrative arrangement "does not sufficiently consider minority interests." In the same way as during the debate on the law on the state language, the Hungarian Government official commented in a damning way on an internal state document of the Slovak Republic without knowing its final version. A comical method, indeed.

Istvan Szent-Ivanyi was willingly assisted by our domestic champions for the unlimited rights of a single minority—Arpad Duka-Zolyomi, Laszlo A. Nagy, and the well-known shock-trooper [udernik] Pal Csaky, who scored points not only by toeing the line of the government official of a foreign state but also by disgorging on the pages of UJ SZO several coarse invectives against Jozef Sestak, state secretary at the Slovak Ministry of Foreign Affairs ("not for the first time, Mr. Sestak has found himself 'not in the picture'," "from time to time, he forgets in which year we live," "he dreams about the period of Brezhnevism," and so forth). When a citizen of the Slovak Republic and deputy to the National Council of the Slovak Republic uses such terms, we should not be too surprised at the attacks by the Hungarian state secretary or when outrageous statements about alleged "soft ethnic cleansing" in Slovakia are made on the soil of Hungarian Parliament.

Jozef Sestak, state secretary at the Slovak Ministry of Foreign Affairs, has repeatedly protested against Hungarian attempts to interfere in the internal affairs of the Slovak Republic, labeling them as a campaign by means of which Budapest misleads (that is, in nondiplomatic language, lies) and traumatizes the broad international public. Incidentally, Max van der Stoel, Council of Europe High Commissioner for Ethnic Minorities, wrote in late February, following his visit to Slovakia, that the government's concept of territorial and administrative reform does not damage the interests of ethnic minorities, quite the contrary, it moves offices closer to them and strengthens the development of local democracy. At the same time, he unequivocally rejected the formation of self-administration entities exclusively on the ethnic principle, enforced so vehemently by our "Europeans" of Hungarian ilk. The newly approved territorial and administrative arrangement is also fully in accord with the most important and the most binding international document on the protection of ethnic minorities, that is, the Council of Europe Framework Agreement, signed last year.

Although Budapest is trying, with massive assistance from its local helpers, to transform the basic treaty into an instrument of interference in internal Slovak affairs, such attempts are doomed to fail in advance because even West European powers cannot permit anyone to smuggle the time-bomb of collective rights into integrated Europe. In the end, Transdanubian politicians and local Csakyites will have to wake up from "Brezhnevite" and post-November [1989] federal times when there was no one to open his mouth on behalf of Slovak interests and will have to realize, at long last, in which year we live.

Slovakia: Meciar on Opposition Efforts To 'Paralyze' SIS

AU0204160596 Bratislava SLOVENSKA REPUBLIKA in Slovak 29 Mar 96 pp 1-2

[Report by Viera Urbanova and Jergus Ferko: "The Effort by the Opposition To Paralyze the SIS Is Aimed at Destabilization of the State; Vladimir Meciar, Olga Keltosova, and Ivan Hudec Visited Our Editorial Office"]

[FBIS Translated Excerpt] Bratislava—Rare visitors—Slovak Prime Minister Vladimir Meciar, Minister of Labor, Social Affairs, and the Family Olga Keltosova, and Minister of Culture Ivan Hudec—called on our editorial office yesterday, at the invitation of Chief Editor Jan Smolec. [passage omitted] The discussion revolved mostly about current domestic political issues. Prime Minister Meciar and Ministers Keltosova and Hudec also met editors of our daily at a brief improvised news conference.

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Asked about his assessment of the opposition "maneuvers" around the Slovak Information Service [SIS], Vladimir Meciar replied:

The opposition attacks do not center just on the SIS, but also on the prosecutor's office, the police, and the courts. This brings political pressure to bear upon undermining the morale and discrediting these institutions. Direct appeals are being made not to respect laws. The serious steps taken by the apparatus of the Christian Democratic Movement [KDH] have been partly endorsed by some Slovak bishops. If we want to stabilize the state, we need not only legislative but also political instruments, we need polemics with those views. The Christian Democrats are behaving worse than the Communist Party of Czechoslovakia used to. While the Communist Party of Czechoslovakia was doing violence to the state [znasilnovala stat], they want to break it up. By means of direct pressure, discreditation, and unverified information, they want to rouse emotions among people and organize them in the struggle against the state and the government. At present, they have narrowed down the range of their destructive activity to the sphere of the police and the SIS. It is difficult for the government and for these services to react because, for reasons of secrecy, it is impossible to publish findings on which they are working to prevent leaks of information that might lead to a different conclusion. The pressure on the SIS is self-serving. Materials about the SIS were published in April 1995, which are being published today as new facts. These things have already been exposed. The abuse of the SIS against representatives of the Movement for a Democratic Slovakia when the movement was in opposition, including the suspicion that the head of state was misusing the secret service, used to be belittled by the argument that the commission that found this out did not include a single opposition representative. We are asking today: Who is present during the opposition's findings? Are they credible now? On the basis of what do they publish them? The aforementioned pressure is not aimed in the positive spirit, to reinforce the functions of the state, but is aimed at its disintegration. It is the subject of political struggle. Our opposition is hiring abroad all kinds of internationals against the government. At home it complicates the government's work, because of the government's positive results, by trying to undermine its power structures. Apart from the KDH, this is being purposefully done also by the president of the republic. Abroad and at home. The government's posture is a defensive one in this regard, aimed at protecting and supporting these institutions and ensuring their independence. Should anyone violate laws, he will be taken to account. But only on the basis of demonstrated guilt. If the maxim holds true for the president's son that, as long as he is not convicted, he is innocent, this maxim must also hold true for every policeman and SIS officer.

Culture Minister Ivan Hudec responded to a question concerning state financial support for ethnic minorities. According to Ivan Hudec, in distributing this form of assistance, the government must take into consideration the quality of social projects the minorities are putting forward. Even among Slovaks of Hungarian nationality, it is possible to discern different groups of opinion.

If someone, like Gyimesi's Hungarian's People's Movement for Reconciliation and Prosperity, puts forward projects whose aim is not to kindle irredentist passions but to seek true paths of coexistence, the government will support this. If, however, we bear witness to chauvinistic statements by high-ranking Csemadok [ethnic Hungarian cultural organization] representatives, we cannot leave this unheeded and without proper response, the culture minister stressed. [passage omitted]

Slovakia: MKDH Holds Assembly, Elects Leadership

AU0304134896 Bratislava NARODNA OBRODA in Slovak 1 Apr 96 p 2

[Report by Gabriela Horvathova: "Bela Bugar: He Who Disrupts the Unity of the Hungarian Coalition Is a Political Corpse"]

[FBIS Translated Text] Galanta—At the Hungarian Christian Democratic Movement [MKDH] Assembly on 30 March, delegates expressed agreement with the direction of the movement's policy to date and confirmed Bela Bugar in the post of MKDH chairman. He received 146 votes, while his rival Pal Csaky received 103 votes. According to Bela Bugar, the delegates were not deciding between two different political programs. Pal Csaky was elected almost unanimously, by 246 votes, MKDH deputy chairman for foreign relations.

In his introductory speech, Bela Bugar spoke about the responsibility of the MKDH as the strongest entity of the Hungarian Coalition [MK]. He drew attention to the fact that 90 percent of Hungarians in Slovakia had endorsed the MK [in the 1994 elections], and warned: "He who disrupts the MK's unity will be a political corpse in the next elections." He pointed out that the movement must be prepared for all eventualities, including such a change in the electoral law as would make it impossible for the Hungarian parties to form a coalition. He did not comment on the efforts of the Coexistence Movement to form a united Hungarian political entity but acknowledged that the MKDH does not rule out even this possibility.

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Bela Bugar confirmed that the MKDH is about to enter into negotiations with its partners from the opposition about the possibility of initiating a referendum on expression of disagreement with the new territorial and administrative arrangement. "Collecting 350,000 signatures [required for a referendum to be called] is not the problem. The Hungarian parties can manage this on their own, even the MKDH alone. The problem is winning the referendum," he said. Pal Csaky added that nongovernmental parties' initial reaction to the proposal to call the referendum was positive, but later they assumed a more reserved attitude. He expects a decision to be made on 3 April [when a meeting of opposition parties' representatives is scheduled to take place]. Bela Bugar would not regard the rejection of a law approved by a legitimate Parliament by means of a referendum as a dangerous precedent because the overwhelming majority of the population is dissatisfied with the approved territorial and administrative arrangement.

[Bratislava PRAVDA in Slovak on 1 April on page 2 carries a 200-word report by "sm" on the MKDH assembly, which adds that, apart from electing Pal Csaky MKDH deputy chairman in charge of foreign relations, the delegates also elected "Pal Farkas deputy chairman for domestic policy and Laszlo Szigeti deputy chairmen for education and science."]

Slovakia: ZRS Deputy Elected Leader of New Workers Party

AU0304145396 Bratislava SME in Slovak 1 Apr 96 p 3

[TASR report: "United Workers Party of Slovakia Established; Miroslav Kocnar Is Chairman"]

[FBIS Translated Text] Bratislava—Uniting and mobilizing all forces of workers and other working people with a view to ensuring an effective protection of their human rights and interests and bringing about the rapprochement of all left-oriented parties and movements is the aim of a new political entity—the United Workers Party of Slovakia [Zjednotena Strana Robotnikov Slovenska] (ZSRS). The new party was established on Saturday, 30 March, at an extraordinary merger congress of the Slovak Workers Party [Strana Robotnikov Slovenska] and the Labor Party of Slovakia [Strana Prace Slovenska] in Bratislava. The congress elected an 18-member Central Committee. National Council of the Slovak Republic [NRSR] Deputy Miroslav Kocnar became party chairman, Milan Klobusnik first deputy chairman. According to a statement adopted at the merger congress on Saturday, the new party will defend, above all, the interests of workers and other working people, which, in spite of all campaign promises, have until now been ignored by all victorious parliamentary parties.

[Bratislava NARODNA OBRODA in Slovak on 1 April on page 9 carries an 800-commentary by Jan Fule, entitled "One Step Forward, Two Steps Back," which considers the latest developments on the Slovak party landscape. Referring to the establishment of the ZSRS, Fule observes that, in view of the fact that the party's chairman, Miroslav Kocnar, was elected to the NRSR on the ticket of the Association of Workers of Slovakia [ZRS], the ZSRS "has become the 18th Slovak political entity that is represented in the NRSR."]

Slovakia: HZDS To Reflect New Territorial Arrangement

AU0304153696 Bratislava SLOVENSKA REPUBLIKA in Slovak 1 Apr 96 pp 1,2

[Report by Jozef Kroslak: "Movement Is Opening Up to Further Members and Sympathizers; After the Next Elections, HZDS Should Become a Party of the Broad Center"]

[FBIS Translated Excerpt] Krpacovo—An extraordinary meeting of the Movement for a Democratic Slovakia [HZDS] Republican Presidium was held in the Junior hotel at Krpacovo on 30 March. [passage omitted]

As HZDS Deputy Chairman A.M. Huska emphasized at a news conference after the meeting, "the Movement is open to everyone who wants to help consolidate the situation in Slovakia together with the HZDS." Extraordinary HZDS regional assemblies should be the start of the HZDS's opening up. [passage omitted]

HZDS Secretary Gustav Krajci spoke about the organizational structure of the Movement. He stressed that, following up on the passage of the law on territorial and administrative arrangement, a new organizational element is coming into being—regional bodies, which, linked to the HZDS Republican Presidium and in parallel with state administration bodies, will implement policy in the relevant region. Extraordinary district assemblies will elect delegates to regional assemblies, which will then elect these new bodies.

The HZDS has approximately 40,000 members at present. As A.M. Huska told SLOVENSKA REPUBLIKA, the goal is to stabilize this number in the near future at 100,000. "We are overcoming the syndrome of defensive guard, to which we had been forced under well-known circumstances. After the 1998 elections, the Movement should become a party. It will be a party of a people's nature, that is, it will not be just an intellectual party. Its ambition is to continue to operate in the broad center."

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The Republican Presidium will include representatives of all 79 districts, plus elected functionaries of the Movement and personalities elected at the Republican Assembly. The total number of HZDS Republican Presidium members should be 108. As Gustav Krajci said, the Republican Presidium is the supreme HZDS body between assemblies. It will meet every other month, alternating with meetings of regional presidiums. The HZDS Republican Presidium meeting did not deal with the filling of posts of district and regional heads [prednosta]. This process will be launched by extraordinary district assemblies.

[Bratislava PRAVDA in Slovak on 1 April on page 1, under the headline: "HZDS Goal: 100,000 Members," carries a 300-word report by Eva Laukova on the HZDS leadership meeting, which includes the following passage: "At the recent HZDS Assembly [held in Zvolen on 23 and 24 March], about one-tenth of members of the Republican Presidium—the highest Movement body between assemblies—were replaced. For example, Minister Alexander Rezes is no longer among its members. The HZDS Republican Presidium now has 67 members but, in conjunction with the new territorial and administrative arrangement—the number of members will rise to 108. All districts will be represented in it."]

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Hungary: Article Views Proposals of 'NATO Skeptics'

AU0304152296 Budapest MAGYAR HIRLAP in Hungarian 3 Apr 96 p 10

[Article by Zoltan Gyevai: "What Do Hungarian NATO Skeptics Offer?—From Neutrality to Friendship"]

[FBIS Translated Text] Although they are not fully identical, the opinion polls on Hungary joining NATO agree that the number of NATO membership supporters exceeds the number of opponents. Hungarian parliamentary parties are more united on the issue: All of them support the idea of joining NATO. In the case of nonparliamentary parties, however, opposition to NATO membership also placed opposing political forces on a common platform. We summed up the arguments of the Hungarian "NATO skeptics."

One of the most frequent arguments against NATO membership is that, at the moment, Hungary's security is not threatened by anything that would justify joining this military organization. All the representatives of the "opposing camp" expressed this opinion. According to Tamas Csapody, spokesman of the pacifist-oriented Alba Circle, security is a broader category, one that military integration cannot basically guarantee. Both Tamas Csapody and Attila Varga, retired lieutenant colonel and executive chairman of the Temporary Alliance of Military Age People, are also warning against NATO expansion because, in their view, this would lead to the revival of bloc ideology and to a new arms race.

Workers Party Chairman Gyula Thurmer claims that the pro-NATO membership policy could harm our relations with Russia, Ukraine, and some neighboring countries. Attila Varga does not regard NATO membership as desirable, even from a military viewpoint, because, in his view, in case of a traditional East-West conflict, NATO would be unable to defend Hungary, a country that lies at the periphery and, therefore, is more vulnerable. Tamas Csapodi draws attention to the fact that NATO membership would not change Hungary's geostrategic position and, in the event of a war, Hungary would become a deployment area. Expenses and alleged economic disadvantages inherent in NATO membership are favorite targets of the opponents' "arrows." According to Rezso Banyasz, former Hungarian ambassador in Canada, joining NATO would mean bigger burdens for the population than the Bokros-package.

Gyula Thurmer thinks that air defense modernization rather than the modernization of the armed forces would use up the largest amount of finances. Tamas Csapodi stressed that Hungary continues to spend money on armament beyond its means, just like during the Warsaw Pact. Csapodi also criticizes the fact that, while we are thinking in terms of euro-atlantic integration, we are not aware of the costs. Attila Varga estimates the cost of joining NATO at 10,000 billion forints [Ft] (official estimates speak of Ft130-200 billion). The Alba Circle also regards as alarming to connect Hungary's future to NATO because of environmental considerations. Neither the Alba Circle nor the Alliance of Military Age People think that NATO is suitable to settle the fate of the ethnic Hungarian minority. Most NATO opponents see neutrality as the means of satisfying Hungarian security needs. They recently found a supporter in this—namely Andrew Sarlos, the world famous Canadian businessman of Hungarian origin, who urged Hungary to become neutral at the recent meeting of the World Federation of Hungarians. According to Rezso Banyasz, it is not obsolete to speak about neutrality because both Sweden and Austria also want to preserve this status. Thurmer advises the government to consider the example of Turkmenistan, a country that declared its neutrality in December 1995, and the UN General Assembly accepted it. Rezso Banyasz thinks that the conditions for neutrality are also present in Hungary. According to Banyasz, among the permanent members of the UN Security Council, France, China, Great Britain, and Russia would welcome Hungary's neutrality, and the United States would not necessarily oppose it.

Tamas Csapodi admits that neutrality means something else today than in the 1980's. He thinks that Hungary should not follow the Swiss or Swedish example, one that would really "cost much more." Their final goal is to dismantle the army. According to Gyula Thurmer, the supporters of Hungary's NATO membership always mention the expensive neutrality model. "These countries that are richer than Hungary allocate more money for wages, and Sweden has its own developed military industry," Gyula Thurmer said when explaining why the comparison is not adequate. Attila Varga suggests the "friendship for peace" model as an alternative to NATO membership. In this model, the United Nations would be the universal guardian of peace and the individual countries would sign financial agreements covering military defense with one or several big powers of their choice. The costs would be covered by funds saved by keeping the national armed forces small. According to this initiative, it could even happen that French soldiers would supervise the Hungarian-Romanian border and Russian soldiers would supervise the Hungarian-Serb border.

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Hungary: Editorial Offers Perspective on Peace in Bosnia

AU0304134496 Budapest NEPSZABADSAG in Hungarian 3 Apr 96 p 3

[Editorial by Endre Aczel: "Collapse"]

[FBIS Translated Text] I am not the first one to acknowledge the U.S. foreign policy's propensity to "moralization," but if one wants to understand what is now happening in and around Bosnia, one should revive these tendencies in himself.

Not a single day passes by without some U.S. official reminding the (former) warring sides how necessary it is (in the interest of peace) for them to cooperate in finding the war criminals and handing them over to The Hague court. What can I say, these calls, even if sporadically, are effective. A general here, a senior officer there: Some get whisked off to The Hague, others volunteer to come before the court. There are somewhat more Serbs, fewer Croats, particularly few Bosnians, but the "balance of the criminals," as in Tito's time, will eventually be established.

For Clinton, it is very important to punish the war criminals. This is one side of his obligation to the Republican opposition. The other is the arming of the Bosnian Muslim army [Bosnia-Herzegovina Army] and making it capable of "self-defense." To prevent problems arising "when we leave," there should be military balance (let us say, from the autumn).

However, in the meantime, the whole Dayton structure is collapsing. I am putting it mildly when I say that the federation of the Bosnia-Herzegovina Muslims and Croats, which was actually invented in the United States in early 1994, is in ruins. The two sides cannot agree on anything at all: on politics or symbols. Without getting deep in details, I must say that, since Yugoslavia fell apart, no kind of "multinational" institution has been able to function in Bosnia-Herzegovina. What was called the "democratically elected parliament" from 1990 was a joke: In its 18 months, it did not manage to pass any laws, because the deputies voted according to their nationality, rather than their beliefs. Another joke is the institutions of the Muslim-Croatian marriage of convenience. Both the Muslims and the Croats are operating their own organizations of power: The latter are doing so as though spitting in the face of the fact that they have "dissolved" their Herzeg-Bosna republic. The Croatian gentleman who is to be blamed for the most serious anti-Muslim atrocities (in Mostar) is acting undisturbed as "deputy chairman" of Herzeg-Bosna and EU officials hold talks with him when there is trouble. The Sarajevo government is headed by a person who calls Iran his "second home country" and he has no intention whatsoever of disbanding his army or his "own" police, especially to place them under Croatian control. President Izetbegovic believed he could help the viability of the Croat-Muslim federation by delegating Muslim commissars (as religious deputy commanders) alongside the commanders of the higher units by decree. And so on.

It is almost certain that Bosnia-Herzegovina will finally split into three parts along ethnic lines, and politicians like Haris Silajdzic, the resigned Bosnian prime minister who, founding his own party, and joining the opposition, is campaigning for a united, democratic, multinational, multicultural, and multireligius Bosnia-Herzegovina ("as it was"), will only be left to preserve the traditions. The local ayatollahs do not appreciate this concept, just as the Croats have no other desire but to unite with the mother country. In the case of the Serbs, this desire has always been open and public.

All in all, diametrically opposed to the "spirit" of Dayton (which is actually attractive), the principle of national self-determination and the genesis of nation-states is making room for itself. As retribution, all the United States can do is, at most, refuse to give money for reconstruction to the naughty ones. (It can even deny them weapons.) Which, of course, will make their situation completely hopeless because money would be the only thing that might be able to push them toward compromises. Whoever thought that the war can be treated as if nothing had happened was blind.

Hungary: Government Criticized for Slovak Treaty

AU0304165296 Budapest UJ MAGYARORSZAG in Hungarian 3 Apr 96 p 3

[Editorial by Peter G. Feher: "Impossible To Interpret in Slovak"]

[FBIS Translated Text] The contacts with Bratislava of the social-liberal government and especially those of Gyula Horn did not go well right from at the beginning. When, after the 1994 parliamentary elections, the Hungarian prime minister visited the Slovak capital to discuss disputed bilateral issues, he still managed to meet his colleague, whom everyone knew would definitely be defeated at the next Slovak elections. Not to mention the fact that the Hungarian prime minister got into a still-unclear "apology affair." After the bilateral talks, the Slovak president said that Horn had apologized for the injuries the Slovaks in Hungary had had to suffer. Later, Horn denied this through his spokesman, and Slovak President Kovac confirmed his statements, also through his spokesman. In the end, it was impossible

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to know who had apologized to whom, for what, and when.

The current diplomatic quibbling about the agreement made with Bratislava eerily resembles the events of nearly two years ago. The basic treaty with Slovakia was completed, but no one could have seriously believed that the Bratislava government—which has a nationalistic stance and which is busy reshaping the country's administrative map to make sure that no Hungarian majority can, even by chance, remain in any of the counties—would not try some trick to interpret the basic treaty according to its own taste.

Using a clever trick, the Bratislava side attached an interpretation text to the basic treaty, which in essence explains how they wish to implement the contents of the international document.

During the parliamentary debate, the practice of Hungary not to respond in no uncertain terms to Bratislava's unambiguous step was called unacceptable by the opposition parties. Foreign Minister Laszlo Kovacs's reply, according to which the one-sided Slovak interpretation is without any international basis, will probably get a chapter to itself in the history of diplomacy. It is possible that this is what Kovacs thinks, but the problem is that his Slovak colleague has a different view. It is in vain for Hungary to reject the one-sided interpretation if its implementation is carried out in Slovakia rather than in Hungary. According to experience, the 600,000-strong Hungarian population has always been and still is exposed to the autocracy of the Slovak majority.

It is a waste of time for Hungarian diplomacy to argue that Bratislava can be made to provide an explanation about the treaty, which has been signed and is considered to be an international document. Nevertheless, in this case, what success does Hungarian diplomacy expect to achieve through this explanation, after a south Slav war in which a quarter of a million people died, 3 million became homeless in four years, and after which we can hardly talk about demanding explanations?

Hungary: Finance Minister on Economic Goals, OECD

AU0104163196 Budapest MAGYAR HIRLAP in Hungarian 30 Mar 96 p 8

[Interview with Hungarian Finance Minister Peter Medgyessy by Dezso Pinter; place and date not given: "Change of System in the Economy"]

[FBIS Translated Excerpt] [passage omitted] [Pinter] When you said yes to the prime minister's request and accepted the finance minister's post, many people thought that you did not know what you were getting into. Have you come across any unexpected or unpleasant truths since you took office?

[Medgyessy] I was aware of the magnitude of the task, but I could not have known everything. The slow progress in the preparation of the state administration's reform caused the biggest surprise. What this reform will bring for the coming generations has not been discussed extensively. Strengthening the immune system and defense ability of individual citizens and, through them, of society is its essence. The notion of the caring state has probably vanished for good. [passage omitted]

[Pinter] Are the government and the prime minister aware of the level of progress in the preparation of the state administration's reform?

[Medgyessy] They naturally know that this is the very first phase of the preparation. The trade unions, the interest-representation groups, the social-insurance institutions, and other organizations still have to be heard, and it is time for us to prepare to face the country. In many places, this has not even been started.

[Pinter] In your view, who has not done his task?

[Medgyessy] We do not have problems with the professional preparations because valuable discussions have been held in this process. However, the social partners have not yet conducted their debates on the merits of the reform, so we have not been able to begin to coordinate the stances. [passage omitted]

[Pinter] Are there any groupings in the government?

[Medgyessy] Not in a political sense, although it must not be forgotten even for a minute that ours is a coalition government of two different parties. Regardless of this, certain tendencies do exist. There is a group that shows extreme sensitivity in social issues, and some others are particularly sensitive to macroeconomic issues. These tendencies do not hinder the government's activity, and they can be coordinated. [passage omitted]

[Pinter] Many signs indicate that society's confidence in the market economy is dwindling. According to a recent survey, only every third citizen believes that the future will be better if a market economy is created in which the state has a very small role. In 1991, some 65 percent of people said yes to this question. Can you feel any difference between the stances of the Hungarian Socialist Party [MSZP] and the Alliance of Free Democrats [SZDSZ] in assessing the tasks?

[Medgyessy] One must not underestimate or overestimate these surveys because much depends on the sample, the questions asked, and the timing of the survey. I have reservations about the proportions, but I do not

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dispute that the survey showed the true tendency. Many illusions were attached to the change of the regime, but reality proved to be rough in many respects. The change of the economic system, which largely determines the political change of the system, is not limited to having different banking and tax systems, free prices, and liberalized imports. The change of the system will be started precisely now, with the reform of state administration, in the economy, and partially also in society's understanding of it. In the new circumstances, masses of people will have to be prepared to provide for themselves and their families. It is also being decided what a viable and efficient state, which is nevertheless kept within limits and is much smaller, should look like. As regards the tasks, the two parties' views have come much closer together. At the beginning of the coalition period, serious differences certainly existed on how to operate the political mechanisms, but, largely due to the similarity of the economic policy ideas, these have lessened significantly. The political structures and mechanisms through which the coalition government can function successfully have more or less been established. The coalition agreement guarantees that the Free Democrats' views have adequate influence, and the conflicts regarding this issue have also decreased.

[Pinter] How did the parties react to you holding out the prospect of reducing the upper limit of the personal tax keys?

[Medgyessy] This is what the coalition agreement parties wanted in the first place, and this intention does not clash with the opposition's ideas, either. I am happy about this because, as an expert, I examine what advantages the implementation of a proposal means, rather than where or whom it came from. I am a member of the coalition government of the MSZP and the SZDSZ and, politically, I am close to the spirit of these two parties, but I pay special attention to studying constructive opposition proposals.

[Pinter] How similar are your views to the ideas of the Hungarian National Bank [MNB] chairman?

[Medgyessy] In my view, Gyorgy Suranyi is one of the country's most talented economic experts, and I highly appreciate his achievements. Together with our colleagues, we regularly coordinate our stances because the economic policy is a total of monetary policy, the Finance Ministry's budget policy, and the indications of the production sphere. Occasionally, we represent different interests because it can be in my interest—unlike his—to solve certain budget-financing problems. I am certain that the correspondence of views on the basic issues and the professional respect shown to each other will help us through the difficult periods.

[Pinter] It is true that you have different views on the future of forint devaluation?

[Medgyessy] This is not true at all. We would both like to see the forint gaining in value. To achieve this, it is necessary for inflation to decrease and for the devaluations not to be too big. The MNB has established a practice that I also approve of: The devaluation remaines slightly below inflation. Inflation is partly due to expectations. Entrepreneurs believe that they benefit from making the prices slightly higher than the inflation they have estimated. A predictable exchange-rate policy cools down the inflation expectations and helps to strengthen the forint. If the economic processes support it, we will announce a lower devaluation rate for the second half of the year.

[Pinter] After your inauguration, you promised that, for the whole year, inflation will be at around 20 percent, and in December—examining the annual level—it will be at around 20 percent. [sentence as published] Were you not made uncertain by the fact that many people found this promise unfounded?

[Medgyessy] The task is difficult because the inflation processes of the previous years are still making ripples, but we want to achieve a change. We will succeed if the economy's participants become convinced that the government is predictable and consistent and the economic policy is credible. Energy prices are a delicate factor. The previous government made a commitment to international organizations that Hungary would introduce cost-related energy prices adjusted to the world market prices by 1 January 1997. To be honest, I admit that I would also have made this kind of obligation, which of course has many consequences. Large social strata can hardly pay their bills, or not pay at all. The current government is fulfilling the commitments taken on by the previous cabinet, but it also takes care not to allow unjustified costs, which increase the price level, to be included in the energy prices. It is a big-enough problem for us that we have to adjust to the world market prices because our energy sector is based on the world market and it is dependent on it. We must not worsen the problem by increasing the costs unnecessarily. Privatization was carried out to allow the energy companies to function along reasonably strict cost conditions, rationally, and with high technology. These companies can be expected to reduce their costs.

[Pinter] Hungary has become member of the OECD. What immediate effects is this expected to have in Hungary and abroad?

[Medgyessy] It has again been proved to us that we are able to adjust to the international requirements. The OECD, the organization gathering the world's most

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highly developed countries, verifies that the international community approves of the direction Hungary is following. By issuing this kind of certificate to us, the European Union, the United States, and Japan, which decided on our membership, support the process that was started in Hungary at the end of the 1980s, rather than this year or last year. Germany, which is increasingly Europe's economic and political leading power, has an outstanding role in this support.

[Pinter] The prime minister recently announced that he wishes to set up an office of economic investigation. Do you agree with this?

[Medgyessy] We must act against the spread of the illegal economy and corruption in many ways. An organization with special license can be necessary and useful, many examples throughout the world can prove this. After examining its compliance with the Constitution, we must still find a way to fit this office into the system. For me, it is of secondary importance whether this office comes under the prime minister's or the chief prosecutor's authority.

[Pinter] Do you expect anything to come of the voluntary asset declaration?

[Medgyessy] I doubt it. I am afraid that a small amount of naivete played a role in this idea. Such considerations are unlikely to be successful in the future.

Hungary: Editorial Views Issues at MSZP Congress

AU0104161296 Budapest NEPSZABADSAG in Hungarian 1 Apr 96 p 3

[Editorial by Laszlo Hovanyecz: "The MSZP's Dilemma"]

[FBIS Translated Text] It is likely that [Privatization Minister] Tamas Suchman will make the Hungarian Socialist Party's [MSZP] congress, which ended on 31 March, memorable. Just as every congress since the Socialists' 1994 parliamentary election victory is remembered because of some event in connection with a party or government leader.

In October 1994, Imre Szekeres's election as parliamentary group leader was at stake. As a result of the struggles within the party, no general deputy chairman was elected. That was the sensation at that time. Then, a few months later, in early 1995 in Siofok, Finance Minister Laszlo Bekesi's resignation was the sensation. So the October congress was Szekeres's and the next one Bekesi's. The next, in autumn 1995 was [then finance minister] Lajos Bokros's resignation—whom the Socialists liked very much at that time, according to the T-shirts distributed at the Miskolc congress.

However, Bokros resigned in February, and it seemed that no major personnel issue would crop up at this spring congress. It was possible to know in advance that the issue of the general deputy chairman would be settled through some compromise solution between Mrs. Magda Kovacs Kosa and Bela Katona. What will happen to the old-new position (because, as is known, the title of executive deputy chairman was kept, but with new content) is a question for the future. There was something else, too: Former National Board Chairman Ivan Vitanyi's contest with [Environmental Minister] Ferenc Baja. However, this did not seem to be a very important issue until Suchman came on the scene in the final phase of the congress and brought up this issue.

As a reminder: Suchman is no ordinary figure in the MSZP. Although he gained enormous popularity in his Somogy County electoral district prior to the 1994 elections, he only came to the forefront a year ago. He accepted the office of privatization minister in spite of tough opposition. Then he carried out the biggest, fastest, and most successful privatization since the change of the regime in spite of not tougher opposition [as published] which, it seems, much improved Hungary's image in western Europe and in the United States. After all this, he still did not get into the party's new executive committee that was elected on 31 March. However, let us leave Suchman alone because he is not the issue, just as the others who made the previous congresses memorable were not the issue.

It is clear to more or less everyone what kind of problems Hungarian society is suffering from in this who-knows-how-long transformation. In the current economic and social conditions, too many people see their position as hopeless. As party Chairman Gyula Horn said in his report, "some 70 percent of Hungarian society is experiencing the transformation from a loser's position." The country's alarming moral state just adds to this. I am not only talking about crime, corruption, or the very controversial role of the illegal economy. The point is the arbitrary conduct of citizens toward each other, the authorities' off-hand attitude, people's exposure, which can reach humiliation, to the bureaucratic institutions and to private companies pretending to be authorities.

These problems very often appear in politics on the level of emotions, and not only in the case of parties and politicians who can be said to be populists. The politics of emotions has great traditions (not at all only in Hungary). The current situation offers the best possible ground for it. Being incredibly complicated and confused are the main characteristics of our current situation. It is easy to believe that if this or that political solution cannot be forced to be implemented

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then catastrophe is unavoidable. Therefore, various "facts" are often quoted, which at best are nothing but arguments based on feelings or perhaps group interests—which sooner or later lose their credibility.

All this almost naturally leads to factions and individual ambitions coming to the forefront. From here, it is only one step for major social issues to appear in the form of personnel issues in party politics. As we saw, this is what happened at the last four congresses of the MSZP, which had gained an overwhelming victory at the 1994 elections.

The above might make it clear that crisis situations regularly evolve in the MSZP in the form of the actions of a politician. Countless issues are awaiting answers due to the fact that this is a socialist party. What actual state is the country in? Is it at all possible to make a decision in this situation? What kind of decisions have been made in these circumstances? And what will happen in the near and distant future in the wake of these, for example, at the 1998 elections?

Suchman's case shows the socialist dilemma in a very concentrated form. Last year, his political opponents warned that it would not be possible to speed up the dangerously slowed-down privatization, therefore, the West will write us off once and forever. Then the problem was that the privatization was "too good." We started to hear of unfortunate business contracts and then even about the selling out of the country. Here are the aforementioned confusion and chaos that bewilder not only the average citizens, but even well-informed people. We have a privatization minister who is left-wing enough to believe that he solved an immense task in a beneficial way for the country, but he does not understand why his party does not recognize this.

If we look at the personal side of the issue, we cannot know what happened. Has a politician become upset in a quite special period of his life? It is possible. However, in the world of politics, people just shrug their shoulders over this—but not only that. In effect, the party chairman said that he appreciates Suchman highly and wishes to continue to work with him, and that when someone is voted down in a democratic party, this has to be accepted.

There was a sentence in Horn's congress speech, in the final, summarizing section: "We cannot go any other way but ahead!" If the country's situation was not what it is, we could even pass over this. However, this is not a commonplace after which we could ask "Ahead, but where?" It seems that, in spite of its internal problems arising from the torments of the transformation, the MSZP wants to proceed resolutely on the road it started to follow after its election victory, after rather long hesitation. Even if no more congresses are held before the 1998 elections, we can be certain that the party will have plenty of personnel issues because it is only possible to make, or delay as the case may be, decisions and to feel which is the way ahead through tough struggle—which requires victims.

Hungary: MDNP Official Views Opposition Prospects

AU2803073896 Budapest UJ MAGYARORSZAG in Hungarian 26 Mar 96 p 10

[Interview with Ivan Szabo, head of the Hungarian Democratic People's Party Parliamentary group, by Tibor Franka; place and date not given: "Society Does Not Expect Anything Anymore"]

[FBIS Translated Text] [Franka] We have arrived at half-time regarding the four-yearly elections. How do you evaluate the activity of the government coalition and that of the opposition?

[Szabo] The two-year-old government coalition can be analyzed on the basis of different stages. For the first 10 months, there was complete uncertainty in the whole country and the balance of payments deteriorated and inflation increased. When the situation became totally unacceptable, they came up with Lajos Bokros's shock-therapy treatment on 12 March 1995. The final result of this treatment is that, after the various Constitutional Court decisions, they could save 10 billion forints [Ft] at most from the so-called welfare expenses, but they almost destroyed the stability of the entire country in the meantime.

[Franka] The opposition's half-time does not seem to be very promising....

[Szabo] This has been a sobering period for the opposition that used to govern: It had to become sober. The extent of defeat was shocking and this caused considerable frustration in the opposition parties. They often failed to analyze things calmly and by taking into consideration international aspects; instead, they started seeking the causes of defeat in each other's parties and in each other, as persons, and this is perhaps natural, but it shows a slightly provincial attitude. In the meantime, the tremendous expectations from the socialists has brought precisely the opposite to what the people expected.

[Franka] The creation of the Hungarian Democratic People' Party [MDNP] is also connected with the people's disillusionment, because you declared that the MDNP is trying to win over the voters who are increasingly giving up the idea of voting in favor of any party.

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[Szabo] Society has reached a state in which they no longer expect anything from anyone. In itself, both from a sociological and a social psychological viewpoint, a new thing always opens up chances, and the people believe that the new thing will bring something better than the six-party structure that seems to have become rigid. From most of the six-party debates they "enjoy," the population feels that the politicians are bragging in parliament over their heads, and not in the interest of the population but that of their own power. The people do not understand the subject of the debate; they only see that their living standards are deteriorating, and that bread, meat, and housing are more expensive. I feel that the MDNP has landed in this dead water like a stone, it has made big waves, and it can make those who became totally disappointed speak up, the part of society that turned away from all the parties.

[Franka] This requires a lot of money, time, members, and, last but not least, faces that cannot be associated with the past five or six years, or even the past three years.

[Szabo] Money is indeed a very difficult issue. When opposition started in Hungary in 1988 to 1989, we could hold big meetings and could rent the biggest lecture halls because enthusiastic people who wanted change collected funds. I see a slight revival of this activity now as our new organizations are emerging. In order to help their own movements, the members are coming up with considerable amounts of money, in accordance with their means. For example, at one of our local organizations, the members paid Ft10,000 as a starting fee. Politics contribute to the attitude of people engaged in economic activity somehow all over the world. It is very interesting to refer to Laszlo Bogar's article entitled "Power and Rule," an article he published in August 1994, in which he says that it is difficult to engage in politics from Capitol Hill against Wall Street; generally, genuine things are decided on Wall Street and Capitol Hill reacts accordingly. With the exception of revolutions, because then Capitol Hill defeats Wall Street. We hope, however, that there will be no need for a revolution in Hungary. Here, the very interesting question is whether those active in economic life see any real chance of achieving a change in the Hungarian economy and domestic policy with a sober and moderate opposition politics and according to democratic rules.

[Franka] Do you think that entrepreneurs and people in general are again afraid, just like eight years ago?

[Szabo] Entrepreneurs mostly fear that, under the current conditions, credits are extremely expensive compared with the profits they can make, and it is impossible to engage in economic activity in a country where real interests are higher than real profits. Let us admit: I have never seen an entrepreneur who puts all his money on one horse. The entrepreneurs engage in politics in such a way that they are ready to finance even four or five parties because they do not know in advance which party will make it.

[Franka] But there are few entrepreneurs who can finance four or five parties, hoping to keep in the saddle.

[Szabo] Clearly, we are talking here about entrepreneurs with strong capital, but there are indeed people among the small- and medium-size entrepreneurs who can choose a party with relatively small amounts.

[Franka] Are there any offers?

[Szabo] Yes, there are. I say honestly that there are small offers, up to Ft10 million.

[Franka] In your view, will the further division of the opposition increase the chances at the next elections scheduled for 1998?

[Szabo] This could increase the chances of the center forces of the opposition, and I mean here the Hungarian Democratic Forum, the Christian Democratic People's Party, the Federation of Young Democrats, and the MDNP. Approaches and even contacts along our interests require sovereignty first of all. When we have this, we will be able to take over, or rather take back government on the basis of a program worked out adequately and in time.

Hungary: Former Smallholder Party Official Reaction to Charges Seen

96CH0045A Budapest MAGYAR NEMZET in Hungarian 23 Jan 96 p 5

[Unattributed article: "Enraged Founding Smallholders—Reply to Jozsef Torgyan's Charges"]

[FBIS Translated Text] In his statement forwarded to us, Bela Mizsei, former representative of the Smallholders Party in the National Assembly, repudiated FKGP Chairman Jozsef Torgyan's charges which he voiced in his radio statement last Saturday. Torgyan stated, among other things, that the FKGP's restructuring was carried out by the founding fathers through the former state party's financial help.

"Unlike Jozsef Torgyan, I have never accepted the support of any MSZMP [Hungarian Socialist Workers Party] official. My relations with the communist party was rather one-sided: I lived through the decades between 1947 and 1990 as a persecuted person. The MSZMP not only did not provide me with a car, but instead used every means to make my family's

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situation as difficult as possible. On the other hand, Jozsef Torgyan enjoyed the support of high-ranking MSZMP officials, [e.g.,] comrades Imre Nagy (one-time first secretary of the KISZ [Communist Youth Alliance] Central Committee—the Editor) and Andras Kocsis. For example, they helped him seize power in the Independent Smallholders Party," wrote Bela Mizsei in his letter.

Mizsei thinks that, with his political game, which divides the opposition and stands in the way of cooperation, Torgyan serves the interests of the left-wing liberal coalition in power rather than the interests of the Hungarian peasantry even today. "[The difference between] his and my situation is well illustrated by the fact that he was working for the most infamous blood judge while I was spending months in the condemned cell under a death sentence. I hereby protest against Jozsef Torgyan who continually and falsely slanders me and my former representative colleagues. We are not traitors, we have never abandoned our voters, and our expulsion was antidemocratic, i.e., unwarranted," wrote Bela Mizsei in closing.

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B-H: Bosnian Serbs Deny Involvement in Brown Plane Crash

AU0304205396 Ljubljana Radio Slovenia Network in Slovene 2000 GMT 3 Apr 96

[Report by Matej Surc from Belgrade—recorded]

[FBIS Translated Text] We were told by the Serb Republic's Information Center in Trebinje that it had learned about the Boeing 737 crash, with U.S. Commerce Secretary Ronald Brown aboard, from Implementation Force representatives in the region. The international peacekeepers immediately joined in the search, that is, the rescue mission, with all their equipment, including helicopters. The local authorities in Trebinje reject as malicious any speculation about the aircraft possibly being shot down.

There is mere speculation as to the cause of the accident; however, the possibility that the accident was caused by a storm, which raged in the region the entire day, is not excluded.

The Serb Republic authorities emphasize that the U.S. delegation was in contact exclusively with the Croatian and Muslim sides and that the Bosnian Serbs were not involved in this visit.

Two versions of the accident's circumstances are present in the Serbian media. According to the first version, the U.S. aircraft fell into the sea; according to the later version, the aircraft crashed into Mt. Sveti Ivan, southwest of Cavtat, while preparing for landing; therefore, in the near vicinity of Cilipi airport.

B-H: IFOR Seizes 7 Serb Tanks, Crews in Exclusion Zone

AU0304125096 Sarajevo VECERNJE NOVINE (European edition) in Serbo-Croatian 3 Apr 96 p 5

[Report by M.P.: "Seven Serb Tanks Captured"]

[FBIS Translated Text] The Implementation Force [IFOR] troops in the northeast sector have captured seven Serb tanks, together with their complete crews, in the Vis region near Kalesija and on the road toward Karakaj. The T-34 tanks, which had been hidden in two locations within the exclusion zone under IFOR control, were surrounded by U.S. forces and their crews were disarmed and captured, while the tanks were hauled off to the American base.

B-H: Serb Republic PM Arranges $100-Million Greek Credit

AU0204161496 Belgrade VECERNJE NOVOSTI in Serbo-Croatian 2 Apr 96 p 9

[Report by "Sl. P.": "First Credit Arrives"]

[FBIS Translated Text] "The first credit worth $100 million has been arranged for the Serb Republic," said Serb Republic Prime Minister Rajko Kasagic in Banja Luka upon returning from his visit to Greece.

The credit will be arranged through the companies in the Serb Republic that have already signed protocols with Greek partners on economic cooperation. Most of the funds—70 percent—will be invested in reconstruction, according to Kasagic, while the rest will go for consumer goods supplies. This is the first foreign credit to be given to the Serb Republic, unlike the Bosnian Federation.

B-H: Karadzic Comments on Serb Assembly Session

LD0304222396 Pale Srpska Televizija in Serbo-Croatian 1830 GMT 3 Apr 96

[FBIS Translated Excerpt] The 58th session of the [Bosnian] Serb Republic's People's Assembly ended in Pale early this morning. The session approved the speech by Dr. Radovan Karadzic, president of the Serb Republic, on the current position of the Serb Republic, and the report by Prime Minister Rajko Kasagic on the first 100 days of the government's work. The deputies also approved a report on the activities by the Serb side in implementing the Dayton agreement. The Assembly formed a state committee which, on the basis of the political platform adopted by parliament, will negotiate with representatives of the international community.

[Begin recording] [Karadzic] Our Assembly must rapidly adopt new legislation which will secure new opportunities in the country and new conditions in the country and a new economy and the further advancement of political and economic freedoms. After all, economic freedom without political freedom, and vice versa, is not worth much.

Finally, there was a big discussion in connection with my speech. I am very satisfied by the fact that the Assembly unanimously supported this speech. Naturally, many pitfalls lie ahead. Some of us, out of inexperience but certainly not bad intentions, could arouse hope among our adversaries that Bosnia might be unified.

However, it is clear that the whole Assembly and the whole government is committed to see that we never reduce the extent of our statehood and the extent of

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our sovereignty which we obtained at Dayton. On the contrary, we have the right, using legitimate political means, to extend our freedom, because this is part and parcel of political life in whatever union, community, state or nation.

[Reporter] At this session a state committee was formed for cooperation with representatives of the international community. It will determine a platform for negotiations.

[Karadzic] Yes. This turned out to be essential. Earlier we had a committee which was led by Vice President Koljevic, and which included a member of the General Staff, and then everything was centralized in one place, so that our adversaries in the international community—and not everyone is the international community is against us—were not able to ask one thing one day and another the next day. The platform was always the same.

Now it has turned out to be necessary to centralize this, too, in keeping with the constitution, according to which the president of the republic represents the state and can authorize—naturally, the Ministry of Foreign Affairs, by definition, represents the republic—and the president of the republic can authorize, and even a minister can authorize, who will speak for the republic on certain issues [sentence as heard].

On the other hand there are many attempts to alter the Dayton agreement to our detriment, both in its interpretation and in its implementation. Naturally, we are not paranoid. We do not believe that everyone in the international community is like this. But there are attempts to reestablish Bosnia as a single state and to break down the borders and the subjectivity and personality of the [Bosnian] Serb Republic.

This is why we are now (?attending) sessions of this committee. Each time we will determine who will speak for us and on what issue. And of course the Assembly determined our policy a long time ago, and none of us should or could change it in the meantime. Only the Assembly can change our policies, and we who are in the executive—the president of the republic, the vice presidents, and the government as a whole—must implement this policy in the most skillful possible way. [end recording] [passage omitted]

B-H: Serb Military Abolishes Permits To Cross Into FRY

AU0304180096 Belgrade NASA BORBA in Serbo-Croatian 3 Apr 96 p 24

[FONET report: "Across the Drina With an Identity Card"]

[FBIS Translated Text] Bijeljina—Special permits for crossing into the Federal Republic of Yugoslavia [FRY], which were obligatory for all men of military age in the Serb Republic and were issued by the military commands with General Ratko Mladic's signature, are no longer necessary. This was confirmed by the press center of the Serb Republic Army's East Bosnian Corps in Bijeljina.

In the future, it will be possible to cross the border without too many problems with only an identity card and other personal documents.

The border crossings on the Drina River have recently been very crowded because traffic has increased due to trade and the supply of scarce goods, but also due to the liberalization of the crossing regime.

B-H: Serb Colonel Released From Hague, Jailed in Sarajevo

AU0404091496 Paris AFP in English 0848 GMT 4 Apr 96

[FBIS Transcribed Text] Sarajevo, April 4 (AFP)—Bosnian Serb Colonel Aleksa Krsmanovic has been jailed in Sarajevo upon returning from The Hague after being released by the International Criminal Tribunal for the former Yugoslavia, a judge told AFP Thursday.

"Krsmanovic is now in the central prison in Sarajevo following a decision taken by the court. The investigation is continuing. We are establishing whether he is guilty of crimes," said Judge Izet Bazdarevic, who had interrogated Krsmanovic and his superior General Djordje Djukic before the two were transferred to The Hague.

Djukic is being tried on war crimes charges but the tribunal did not bring charges against Krsmanovic, who was arrested with Djukic in Sarajevo on January 30 and transferred to The Hague February 12.

Krsmanovic was handed over to Bosnian police Wednesday evening at Sarajevo airport, with UN police monitoring the transfer, UN police spokesman Alexander Ivanko said.

The NATO-led Implementation Force (IFOR) had refused to handle the transfer since it does not want to antagonize the Serbs, who broke off relations with IFOR

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for a period after Djuckic and Krsmanovic were arrested.

B-H: Serbs Exhume 110 Bodies From Mrkonjic Grad Mass Grave

LD0204185796 Belgrade SRNA in Serbo-Croatian 1830 GMT 2 Apr 96

[FBIS Translated Excerpt] Mrkonjic Grad, 2 Apr (SRNA)—A second mass grave was discovered at the Orthodox cemetery in Mrkonjic Grad this afternoon [town recently handed back to Bosnian Serbs, in line with the Dayton agreement]. According to the findings so far by a team of specialists, it contains mainly the bodies of women and elderly people.

Up to today, 110 bodies of killed Serb soldiers and civilians have been exhumed and 20 bodies have been identified.

Teams are continuing their work, although the identification process is taking place in difficult circumstances because there are no documents or personal effects on the bodies. [passage omitted]

B-H: Federation Forum Created To Help Implement Agreements

AU0304182596 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 3 Apr 96

[FBIS Translated Text] John Kornblum, assistant U.S. Secretary for Europe and Canada and the successor to Richard Holbrooke, visited Sarajevo today and, on this occasion, held talks with the most senior officials of the Bosnia-Herzegovina Federation on the process of the realization of the signed agreements on the ground. Samir Huseinovic and Fuad Cibukcic report:

[Begin recording] [Huseinovic] The talks with Mr. Kornblum were, among others, attended by the Federation president and vice president, Kresimir Zubak and Ejup Ganic respectively, Federation Prime Minister Izudin Kapetanovic, [words indistinct] Jadranko Prlic, and Avdo Hebib. We learned more details of these talks from the statements by Ejup Ganic, John Kornblum, and Kresimir Zubak. Here is the Federation Vice President Ganic:

[Ganic, in English with superimposed translation into Serbo-Croatian] We had a very good and a very productive meeting. This is an important and major boost for the Federation. We will follow up on what has been agreed. A great step forward was made today in the economic sense, in the creation of our country, communications, trade, contacts, and [words indistinct].

[Huseinovic] John Kornblum:

[Kornblum, in English with superimposed translation into Serbo-Croatian] The Washington agreement that established the Federation was signed more than two years ago. The United States believed then and believes today that the Federation is one of the main preconditions for a lasting peace and democracy in Bosnia and in the entire region. The Federation was, in many ways, the precursor of the Dayton agreement in that it established democracy and a multiethnic society. Numerous concepts contained in the Washington agreement became the basic elements of the Dayton peace accord. The creation of the Federation is not simple, regardless of its importance for the ethnic communities; however, it is a model for a stable, peaceful, and multiethnic Bosnia over a longer period of time. [Words indistinct] has been signed in Sarajevo recently, on 10 March, which we consider very significant. We congratulate all the sides and Ambassador Steiner [deputy to the UN special envoy for Bosnia-Herzegovina] for his important role. We also believe that [words indistinct] and cooperation exists. After the consultations with the leaders, we proposed the formation of the so-called Federation Forum in Geneva, which consists of the U.S. and the Federation representatives. By this term, we do not understand a bureaucratic body, but an ongoing process, a dialogue, a joint work, and a resolution of problems.

[Huseinovic] Mr. Kornblum also added that regular meetings and consultations of the U.S. and Federation officials will be held every seven days, as will the working meetings of the experts to continue the process. He also said that the most senior U.S. officials were backing this project.

Now, let us hear what Federation President Kresimir Zubak said after the meeting:

[Zubak] Among other things, we also constituted the Federation Forum today, the task of which will be to [word indistinct] in practice the creation of the Federation. We agreed to analyze everything that has been accomplished to date regularly each month, and agreed on further steps aimed at finally setting up the entire body of the Federation in the state and legal sense. We also agreed on a greater and more frequent engagement of experts, who should help to resolve the issues that are controversial and pertain to the constituting of the Federation. We also gave full support to the Sarajevo agreement today, which has generally, and in the joint assessment of us here and Mr. Kornblum, been regarded as a very concrete agreement that will accelerate the process of the Federation's creation and the successful resolution of the problems that we face. [end recording]

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B-H: Ganic Hails Albanian Plan To Open Embassy in Sarajevo

AU0304152496 Tirana Radio Tirana Network in Albanian 1330 GMT 3 Apr 96

[FBIS Translated Text] Albania and Bosnia-Herzegovina expressed their readiness to develop bilateral relations. This was confirmed during the two-day visit that Albanian Foreign Minister Alfred Serreqi paid to Bosnia-Herzegovina. Pandeli Shehu has a report:

[Shehu] The possibility of drafting and signing several agreements in various fields and the situation in the region were the topics of the general discussions between the two foreign ministers. They concurred with the idea that the two countries totally agree on issues of a bilateral character.

During talks with Mr. Ejup Ganic, member of the joint Presidency of Bosnia-Herzegovina and vice president of the federation, the head of Albanian diplomacy expressed his country's support for the Dayton accord, considering it not to be the most fair, but still very important as it lays the foundations for peace, preserves the integral Bosnia-Herzegovina, and creates the conditions for a return to normal life.

Mr. Ganic, who is currently performing presidential functions while Mr. Izetbegovic is recovering from some health problems, welcomed Serreqi's proposal to develop relations in all fields and hailed our country's initiative to open an Albanian embassy in Sarajevo soon.

Mr. Ganic and the other Presidency members who took part in the meeting agreed with Mr. Serreqi's viewpoint regarding the situation in Kosova and the indispensability of treating and resolving this issue in order to achieve a permanent peace in the entire region.

At a meeting with the Chamber of Commerce chairman, our foreign minister stressed the need to rapidly establish contacts between both countries' Chambers of Commerce.

During the visit, Minister Serreqi also met Prime Minister Muratovic and the ministers of transportation, foreign trade, and energy.

Albanian Foreign Minister Serreqi met in Sarajevo with representatives of the Albanian community living in Bosnia-Herzegovina.

B-H: Prlic, Albanian FM View Relations, Dayton Accord

AU0304195396 Tirana TVSH Television Network in Albanian 1800 GMT 3 Apr 96

[FBIS Translated Excerpt] During his two-day visit to the Republic of Bosnia-Herzegovina, Albanian Foreign Minister Serreqi first met his counterpart, Mr. Prlic, with whom he discussed the issue of developing bilateral relations, the situation in Bosnia-Herzegovina, the implementation of the Dayton accord, as well as the situation in the region and the prospects of bilateral and multilateral relations among regional countries.

I express my pleasure at being the first Albanian Government minister to visit Bosnia-Herzegovina, Mr. Serreqi said. I am conveying the support of President Berisha and the Albanian Government to you, who, together, are unreservedly supporting you, as they have done so far, in your efforts for the just cause of the Bosnian people to preserve and strengthen the joint state of Bosnia-Herzegovina and to restore confidence in the coexistence of the states and the country's reconstruction.

Your international position as an independent state creates for us the possibility to establish relations for the first time and to develop them in all fields and levels. I want to tell you, Serreqi said, that Albania will soon open an embassy in Sarajevo.

Both ministers agreed to the idea that both countries concur on issues of a bilateral and multilateral character. The ministers also discussed in principle the possibility of drafting and signing several agreements in various fields.

I have not waited for my visit here to share with you the pain at what you suffered from the aggression, because the Albanian Government and people have always supported you, however, what I saw in Sarajevo and other parts of Bosnia-Herzegovina is really terrible, Serreqi told Ejup Ganic, member of the joint Presidency of Bosnia-Herzegovina and vice president of the Federation. [passage omitted]

Mr. Ganic conveyed to Mr. Serreqi President Izetbegovic's invitation for President Berisha to visit Bosnia-Herzegovina in the near future. [passage omitted]

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B-H: Izetbegovic Criticized for Making 'Compromises'

96BA0212B Ljubljana SVIJET in Serbo-Croatian 29 Feb 96 p 19

[Article by Kemal Kurspahic: "Courtyard Mentality"]

[FBIS Translated Text] *If reason is measured by the ability to give in, then Izetbegovic is the most reasonable of the Balkan tribal leaders.*

The day before he left for the Rome summit, the president of the Bosnian Presidency, Alija Izetbegovic, had a firm message for Croatian Minister of Foreign Affairs Mate Granic, who was visiting him in Sarajevo in preparation for the meeting in Rome: "No further compromises are possible regarding the borders in Mostar!"

Izetbegovic had a basis for that stance. Previous disagreements regarding that which the world, proud of its role in the erection of a new Berlin Wall, hypocritically calls "the unification of Mostar"—even though the whole fuss revolves around not the unification of Mostar, but rather its demarcation into Croat and Bosniak opstinas—had been resolved by both sides agreeing to accept European arbitration. When the European administrator of the city, Hans Koschnik, undertook that task, Croat nationalists—and specifically the mafia, which does not want to lose the wartime profits that it has earned in the form of illegal tolls, customs duties, and the trade in stolen cars and other goods—organized demonstrations, attacked Koschnik's car, and even threatened his physical safety. They were protesting because Koschnik had set up an excessively large joint central district at the expense of the "Croat part" of Mostar. German Minister of Foreign Affairs Klaus Kinkel issued a strong warning to the Croat leadership, and even to President Tudjman himself, saying that they risk the loss of economic aid and inclusion in European integration if they do not satisfy their obligation to unify the city. "We welcome Koschnik's proposal, down to the last word," Kinkel said. Given this tone, and context, Izetbegovic, too, probably thought that he could tell Granic that there would be no further compromises.

However, it was necessary to read between the lines of the statement made by the head of the Italian diplomatic corps, Susanna Agnelli, that Europe will seek for Mostar "a solution that is acceptable to both sides." That was a portent of a concession to the opponents of the Dayton Agreement on the Croat side. In Rome—as throughout the history of international mediation in the Balkan bloodshed—an agreement was reached only after Izetbegovic gave in, while Serb and Croat opposition to the agreement was rewarded once again. Yes, the Croat representatives committed themselves to the unification of Mostar and the establishment of the federation, but only after the central joint district of Mostar was reduced in size. And yes, the Serb representatives will resume cooperation with international military and civilian institutions, but only after they were promised that the sanctions against the Serb entity in Bosnia would be lifted.

Izetbegovic explained his agreement to new territorial concessions in Mostar with a phrase that also illustrates his position throughout the negotiating process: "Bosnia-Herzegovina depends upon the federation, and the federation on Mostar." Thus, we had to give in for higher reasons.

If the adage about how reasonable people give in is really true, then the Bosnian president is clearly more reasonable than all other Balkan leaders: Among them he is the one who always gives in. As early as the summer of 1993, when Sarajevans, already desperate because of the siege and the daily killing, saw him off on one of the rounds of negotiations with a defeatist piece of graffiti that read "Alija will sign in any old courtyard," the world gained in Izetbegovic the most cooperative partner in the reshaping of Bosnia. He accepted a "union of three republics" during that summer of 1993; and the Contact Group plan for a 51 to 49 percent partition in the summer of 1994; and the Dayton Agreement in the fall of 1995. There are few people here who still recall how at each step of this peace process he has agreed to a reduction of what he had previously characterized as "the negotiable minimum," meaning the amount of territory that would remain under the control of the government over which he presides after these dismemberments of Bosnian land.

That list of "territory that we will not abandon" once included Prijedor, Doboj, Foca, and Vlasenica; there was also repudiation of the principle that under no circumstances would we give up (to the Serb entity) territory in which genocide had been perpetrated against Bosniaks, such as Srebrenica and Zepa; and now concessions have been made at the expense of the joint territory in Mostar as well.

The initial actions taken by both the Serb and the Croat self-proclaimed leaders following the Rome summit certainly provide no guarantee that through these latest concessions Izetbegovic will get anything in return for his now-proverbial cooperativeness: The day after Rome, the Serb leaders boycotted a meeting of the joint military commission on board the U.S. aircraft carrier "George Washington" in the Adriatic, while the Croats—when they were supposed to remove checkpoints and ensure free movement in Mostar—refused to participate in joint

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police patrols and permitted an attack on three youths from the Bosniak ghetto who had dared to cross to the "Croat side of the unified city" by car.

Izetbegovic can find thousands of reasons for his pliability, at least as many as the advantage in tanks, missile launchers, mortars, antiaircraft machine guns, and antiaircraft mortars held by Bosnia's enemies, but in the democratic world—and that is what we must aspire to—nations judge their leaders most of all according to how much what they have said coincides with what they have done. In this sense, it is instructive to look at the decision by the Bosniak mayor of Mostar, Safet Orucevic, to resign when he concluded that the latest plan for his city is based on a "compromised decision by the Bosnian leadership" of which he does not want to be any part.

B-H: 21 Parties, Organizations Sign Integrity Declaration

AU0404055196

[FBIS Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian in its 1700 GMT newscast on 3 April reports extensively on the signing of the declaration on Bosnia-Herzegovina integrity that was initiated by Alija Izetbegovic, president of the Bosnia-Herzegovina Presidency, and former Bosnia-Herzegovina Prime Minister Haris Silajdzic.

As it is reported, the declaration was signed by 21 political parties and civic associations. "The document will be forwarded to all relevant international factors as well as the domestic public with a message to all the remaining parties and associations that the list of support to the declaration remains open for the signing."

In his report on the event, Correspondent Mehmedalija Sisic first reads out the text of the declaration and then conveys the reaction of "Alija Izetbegovic, president of the Party of Democratic Action" on "the objective and the timing of the signing":

"I believe that this is evident from the document itself, because we have noticed tendencies that were not present earlier—they are almost blatant—the tendencies to create the atmosphere of Bosnia-Herzegovina's erosion, that is, the use of certain elements from Dayton. Namely, when we came back after Dayton, we said that Dayton accord included elements that could lead toward the integration of Bosnia-Herzegovina, some very positive factors, however, that it also contained some negative elements that could be abused for disintegration. The forces that worked on this task from outside and within took advantage of these elements in the Dayton accord and embarked on the task of the disintegration of Bosnia-Herzegovina: the creation of the mood and belief that Bosnia-Herzegovina cannot survive as a country. We are firmly convinced, the declaration states so, that Bosnia-Herzegovina will survive. We thought that we should close our ranks a bit in this respect and send a message to the people in Bosnia-Herzegovina, to encourage them and to tell those who are working on this task [the 'disintegration'] that they are doing a futile job. This is the essence, I think."

Sisic also asks Izetbegovic whether "there is any essential difference between this declaration being adopted by the assembly or here, today," to which Izetbegovic replies:

"I believe that this is a somewhat broader forum. Just look at the signatories. This does not prevent the assembly from confirming it, however, this is a much broader forum because it contains a whole number of organizations that are not represented in the Bosnia-Herzegovina Assembly. There are many nonparliamentary parties that are gradually gaining in importance but were not around at the last elections. They are given an opportunity to support the integrity and the democratic character of the country."

As it is reported further, a coordinating body of a group of opposition parties—the Republican Party, the Muslim Bosniak Organization, the Croatian Peasants' Party, the Union of the Bosnia-Herzegovina Social-Democrats, and the Social Democratic Party—today proposed to the Bosnia-Herzegovina Assembly that "the initiative offered by Alija Izetbegovic and Haris Silajdzic be debated at the 9 April assembly session." The parties also demand that, "parallel to the passing of the above declaration, the tasks and the manner of the realization of the strategic goal—the preservation of the integral Bosnia-Herzegovina and its promotion as a democratic, multiethnic, and decentralized state—should also be defined. Generalized and principled declarations must be replaced by concrete work and the responsibility of all state institutions and most responsible individuals," the parties' coordinating body writes in its statement.

In its reaction to the declaration, the Croatian National Council acknowledges the existence of "the danger of Bosnia's division and the undermining of the Dayton accord," however, it maintains that "the ruling parties bear full responsibility for the current situation in Bosnia-Herzegovina, especially regarding the Bosnia-Herzegovina Federation. The sovereignty and the integrity of Bosnia-Herzegovina no longer require declarations, but concrete work on the democratization of the state and society and the implementation of the constitutions passed. The ruling parties have assumed a monopoly over this, so let them proceed with their job. Regarding the text of the declaration offered for signing,

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the Croatian National Council of Bosnia-Hèrzegovina accepts it unreservedly. However, it perceives the request for subsequent signing as an attempt to share the blame with those who are not to blame at all."

B-H: Social Democrats Denounce Declaration on Integral State

AU0304190996 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 3 Apr 96

[FBIS Translated Text] The signing of the declaration on the integral nature of Bosnia-Herzegovina, the text of which was established during yesterday's meeting of 10 Bosnia-Herzegovina political parties and civic associations, is scheduled to take place in the Bosnia-Herzegovina Assembly today.

The Social Democratic Party of Bosnia-Herzegovina has reacted to this event, claiming that the majority of the political parties in Bosnia-Herzegovina were not consulted and did not participate in the preparation of this initiative.

We will not attend the signing of this declaration today, Miro Lazovic, member of the party presidium, stated at the news conference and added that this party will issue a statement that it will forward to the Bosnia-Herzegovina Assembly. Lazovic emphasized that the Social Democratic Party of Bosnia-Herzegovina will not agree to being a mere observer and said that this initiative should be discussed by the Bosnia-Herzegovina Assembly. As he emphasized, the statement, by Mr. Ismet Grbo from the Party of Democratic Action, that this declaration was intended for the international audience was not disputable. However, the Social Democratic Party of Bosnia-Herzegovina demands that it be passed by the Assembly, as only then will this initiative be meritorious.

Regarding the agreement on the Federation signed recently by the two ruling parties, the Social Democratic Party of Bosnia-Herzegovina believes that the Federation is the key factor that should define Bosnia-Herzegovina as a federation of cantons and not a Bosnia-Herzegovina divided into two entities, because such a Bosnia-Herzegovina has no future, Miro Lazovic said at the news conference of the Social Democratic Party today.

B-H: HDZ Refuses To Sign Declaration on Integral Bosnia

LD0304221396 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2000 GMT 3 Apr 96

[FBIS Translated Text] The Bosnia-Herzegovina Croatian Democratic Union [HDZ] did not sign the declaration on an integral Bosnia-Herzegovina because it holds that all important issues should be debated and decided upon in the competent institutions, especially in parliament, today's statement by the Bosnia-Herzegovina HDZ says. The statement was signed by its president, Bozo Rajic.

The Bosnia-Herzegovina HDZ believes that the initiators of the signing failed to provide a sufficient explanation for the reasons for adopting such a declaration, and that this initiative shifts an issue of the utmost importance to the peoples and citizens of Bosnia-Herzegovina to the arena of party political activity.

As regards the interests of the Croat people in Bosnia-Herzegovina for Bosnia-Herzegovina's reintegration, in keeping with the provisions of the Dayton agreement, the Bosnia-Herzegovina HDZ is convinced that revitalization of the Bosnia-Herzegovina Federation is the best guarantee for Bosnia-Herzegovina's reintegration within its internationally recognized borders and the preservation of its integrity and state sovereignty, the statement says.

B-H: Gen Dudakovic Interviewed on IFOR 'Weaknesses'

AU0404111996 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 0900 GMT 4 Apr 96

[Interview with Division General Atif Dudakovic, commander of the Bosnia-Herzegovina Army 5th Corps, by an unidentified correspondent; place and date not given—live or recorded]

[FBIS Translated Excerpt] [Correspondent] General, how do you assess the implementation of the Dayton agreements in this part of our republic so far?

[Dudakovic] The provisions of the Dayton agreement have been complied with in full by all bodies in the Bosnian Krajina under the control of the Army of Herzegovina, although there have been certain problems on several occasions. However, I hope that the most recent one—the case of Kulen Vakuf—will be solved.

The situation in Kulen Vakuf has in fact been more politicized, and I personally think that IFOR [Implementation Force] expressed certain weaknesses in its work in January, without which the case of Kulen Vakuf would not be pushed to the fore so much. What is involved, in fact, is that all sides, the troops, instructors, and advisors should have left Bosnia-Herzegovina. Croatian Army units were in Kulen Vakuf and they left only at the end of January. However, they gave over this territory occupied by them to the Croatian Defense Council [HVO], so that the HVO troops had come to the region of Bosnia-Herzegovina [words indistinct] around Kulen Vakuf and they are still there. However, we agreed at

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the latest meeting to solve that case as well. There have been a couple of cases of our soldiers being disarmed in the 2-km delineation zone, as well as one case of [word indistinct] weapons being taken away due to our soldiers' careless conduct. In any case, we consider that the Dayton agreement has been implemented in this region. [passage omitted]

B-H: Plan Viewed for U.S. Troop Withdrawal by 20 Dec

AU0304182496 Sarajevo VECERNJE NOVINE (European edition) in Serbo-Croatian 3 Apr 96 p 5

[Report by F. Cibukcic: "Uncle Sam Is Packing Up"]

[FBIS Translated Text] According to some plans that are being worked out in the U.S. headquarters in Tuzla and that have already been approved by the command of U.S. troops in southern Europe, the more than 20,000 U.S. troops participating within Implementation Force [IFOR] are supposed to start withdrawing from Bosnia in about four months from now. The last soldier should be back home by 20 December. This plan, as well as the very fact that the Americans will not be here precisely at the moment when the results of elections will be implemented on the ground, will cause concern among those who speak of Bosnia-Herzegovina's reintegration. To those who see Bosnia divided into three parts, this plan has come as a gift from heaven.

Confused Logisticians

Logisticians in the U.S. headquarters are a little confused because of this somewhat early plan. Because, literally, while they are putting together some accomodation facilities and accompanying buildings, by the time the last one is finished they will already start demounting those that were put together first.

That is, the start of this operation is planned for the month of July, when negotiations—which are very difficult and dangerous for the fate of peace—on the Bosnian key city, namely, Brcko, will start. For hawks in the Serb entity, particularly if Mladic and Karadzic have not been taken to The Hague by then, that will be only half of the job done. Because, as thousands of Serbs who willingly left Sarajevo's suburbs have already arrived in Brcko, which has only caused even greater tensions, the assumption is that the Pale negotiators will not give up their goal so easily, which is a Serb Brcko.

If the negotiations fail, then international arbitration will take place. Those who will be making decisions based on the results will also consider the factual situation.

Tactical Withdrawal

The critics of this tactical withdrawal, the timing of which has been made precisely to coincide with the election campaign in the United States, are pointing to another problem as well. Analyses say that, in the military and even in the civilian parts of the Dayton accord, things are advancing somehow, even though at a snail's pace, only thanks to the presence of the U.S. troops. In September, the elections in Bosnia-Herzegovina will most probably start, and precisely in September, according to the schedule of withdrawal from Bosnia, the number of Americans left will be just about enough to enable them to defend themselves.

After all, for the end of September, the plan anticipates President Clinton's review in Germany of the U.S. troops who return from Bosnia-Herzegovina, that is, in U.S. military bases, and this just a few weeks before the elections in the United States. This detail has been confirmed by THE WASHINGTON POST in its issue the day before yesterday. Everybody agrees that the most critical time in Bosnia this year will be the period from the end of the elections to New Year' Eve. Undoubtedly, many people will dislike the result of the elections, so they might try to correct it by the use of arms. Even the U.S. intelligence service, the CIA, indicates similar dangers in its latest report on the Balkans.

B-H: Elections Expected With 'Great Impatience'

LD2903115696 Belgrade TANJUG in English 1127 GMT 29 Mar 96

["Pool" item]

[FBIS Transcribed Text] Banja Luka, March 29 (TANJUG)—Elections in Bosnia-Herzegovina, or in its two entities Republika Srpska and the Muslim-Croat Federation, are expected with great impatience as one of the most important segments in the implementation of the civilian part of the Bosnia peace greement.

Elections for Bosnia-Herzegovina presidency and parliament are expected to be held on September 14, nine months exactly after the signing of the peace accords in Dayton, Ohio.

Municipal (local) and cantonal elections should be held a little earlier according to the plans of the Organisation for Security and Cooperation in Europe (OSCE) which is charged with organising free and multi-party elections in Bosnia-Herzegovina.

International financial institutions, which are expected to provide the 5.1 billion dollars needed for the reconstruction of the war-devastated area, said that investments

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would not be forthcoming until after the elections since no legal security is provided for them under the present conditions.

Besides its Sarajevo office, the OSCE mission has two more regional offices in Banja Luka, northwestern Bosnia-Herzegovina, and Tuzla, northeast, and is planning to open other offices.

With the help of the OSCE mission, headed by U.S. Ambassador Robert Frowick, a provisional election commission has already adopted rules and regulations for the organisation of the elections.

According to this document, the commission is to adopt on March 31 the provisional election list based on the 1991 population census, before the outbreak of the war in Bosnia-Herzegovina.

Under the terms of the peace agreement all citizens of Bosnia-Herzegvina can vote in 'their' entity or outside it, under the supervision and with the help of international organisations.

Party presidential candidates for the Bosnia-Herzegovina presidency and for entity presidents are required to gather 10,000 signatures, and independent candidates 5,000 signatures.

Parties which want to run for the house of representatives of Bosnia-Herzegovina and the entity parliaments also need 10,000 signatures.

Quotas for participating in cantonal elections are far lower—2,500 signatures for party candidates and 1,200 for independent candidates, while for municipal bodies 500 signatures are needed for party candidates and 300 for independent candidates.

A proportional election system will be applied for elections to the House of Representatives of Bosnia-Herzegovina, the National Assembly of Republika Srpska, the House of Representatives of the Muslim-Croat Federation and local assemblies.

Deadlines for the inscription of candidates have still not been officially announced but this is expected to be done in April and May depending on whether they are candidates for local, entity or Bosnia-Herzegovina elections.

The phase of seeking candidates, establishing new parties and reviving old ones is now under way.

Republika Srpska, the Bosnian Serb entity, now has some 30 registered parties, most of whom are in Banja Luka, the entity's biggest town.

B-H: RS' Plavsic Comments on Upcoming Elections

AU0304142896 Bad Vilbel VESTI in Serbo-Croatian 2 Apr 96 p 13

[Interview with "Serb Republic Vice President" Biljana Plavsic by Mirjana Kusmuk; place and date not given: "The Current Runs Left of the Drina River"]

[FBIS Translated Text] *Biljana Plavsic, vice president of the Serb Republic [RS], has been among the leading personalities of the Serbian people in Bosnia-Herzegovina since the 1991 elections. At that time, she was elected to the Bosnian Presidency together with Nikola Koljevic. Now new elections are drawing near, the first since Dayton: Is Mrs. Plavsic going to remain in the political life of the RS and the Federation?*

In 1991, we were not elected by the Serbs only, but by all citizens of the former Bosnia-Herzegovina, and I was one of three candidates of the SDS [Serbian Democratic Party] to get the greatest number of votes, Biljana Plavsic says for VESTI. We are worn out and tired now, but whether the new elections will bring us new strength is yet to be seen.

[Kusmuk] According to the criteria of the international community, Radovan Karadzic, SDS leader and RS president, is not allowed to take part in the political life or to be an elected statesman. Is the SDS going to put him forward as a candidate for RS president or nominate his successor?

[Plavsic] Before the election campaign, which begins in June, the SDS will probably choose their candidate for president. As to Karadzic, it is needless to say that his trial is a trial of the Serbian people. If he is really guilty, the Hague Tribunal should have his indictment delivered to us and have Karadzic appear before a national court, before the people who elected him. In any case, whether he runs for president or not, he enjoys the absolute support of the Serbian people in the RS.

Regardless of who is going to be our presidential candidate, it is in the interests of the people and the state in this region for a party with a national program to win the elections. Naturally, my personal preference is for the SDS, but I would not be dissatisfied with a possible coalition of the SDS and the Radicals. It would be a tragedy if any party without a national program won, a party that would erase every result achieved by the Serbian struggle so far.

Different Ambitions

[Kusmuk] At this moment, is the RS leadership united in dealing with questions of a national and political nature?

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[Plavsic] For the majority of us, this unity exists. Still, some people over the Drina River, partly due to lack of information, but also because of immaturity, vanity, or sick ambitions, consider something else to be more attractive or fascinating. That is not a matter of political choice, but a matter of character and insufficent maturity to comprehend how critical the position of these people is.

[Kusmuk] Can that explain the appearance of the kind of people that harmed the Republic of Serb Krajina?

[Plavsic] If such people appear among us, we must invite them to the Assembly and tell them openly: In this country, you have to obey these authorities and not the authorities of other countries, even if their names are Serbia or Yugoslavia! So, the message is: Choose this side or leave! Every problem must be dealt with in the RS People's Assembly. If that cannot be achieved through a democratic dialogue, it must be done through radical actions. People are elected, but they are also dismissed.

Left or Right

[Kusmuk] Since the announcement of elections in the RS and Bosnia-Herzegovina, left-oriented parties—including those with headquarters outside the RS—have intensified their activities.

[Plavsic] I think that too much importance has been given to the leftist parties. Still, the people will make their own decision at the election. Naturally, we have to be cautious when we estimate the potential influence of leftist parties, because not only are they supported by Yugoslavia, but they are also favored by the international community and the Muslims. The point is that, after the breakdown of the Dayton agreement, a victory of the leftist parties in RS has remained the only way to destroy the Serbian state in this region.

[Kusmuk] The state is also reluctant to adjust to the new conditions of action after the four years of war. What are the priority tasks?

[Plavsic] The first task, of course, is to solve the refugee problem within the means of our state—and our country has been exhausted by severe destruction, as you know. At the same time, we have the international community warning us that we are not going to be given everything we need, since we have not been very obedient.

Defense of the Serbian State

On the basis of refugee identity cards, the processing of which is about to be finished, refugees and displaced persons will be given houses and abandoned land. But—since the entire territory is war-stricken, the buildings mostly damaged, and the population pauperized—the state will have to put tremendous efforts into making the houses suitable to live in. The building materials will probably be provided through donations, but also through loans. The provision of the basic building materials is the greatest problem, and the repairs will be performed by the homeowners, who are used to work and who cannot wait to resume their normal work.

[Kusmuk] Will the RS and its economy be capable of fulfilling such great tasks in the restoration of the country?

[Plavsic] It is the government's task to get the industrial capacities going as soon as possible, since the sanctions have been removed and our borders are open. For things to run normally, it will be necessary for our emigrants to take part in the restoration and development of the first Serbian state by helping to settle our refugees and to start the economy. I hope that the Serbs from the diaspora will not turn a deaf ear to our appeals for help, especially after President Karadzic's appeal for help for the RS.

The RS is of tremendous importance to all Serbs. A Serbian state has been formed on the territory of Bosnia-Herzegovina for the first time in history. This is the Piedmont of Serbian nationality today and, unfortunately, not the motherland, because we cannot really call Serbia a Serbian state! If we finally develop into a national state, it will have a wide positive impact on all Serbs. Thus, Serbia itself will become a national state, like any other European state. Today, we have the absurd situation of 60 percent of population in Serbia being Serbs and 40 percent non-Serbs. The statesmen should think about this data.

[Box, p 13]

Bishop Hrizostoms Personal Attitude

[Kusmuk] You are known to be well-informed about the situation in the Serbian Orthodox Church. Can the latest declaration by the bishop of Bihac and Petrovac, Hrizostom, qualify as a change in the SPC's [Serbian Orthodox Church's] attitude toward the SR?

[Plavsic] I think that is a personal attitude, not the position of the SPC, and, as such, will be discussed at one of the following sessions of the Synod. I cannot talk about him as a man of the cloth, but he is still a man first and a bishop second. His statements as a man are so different from the ones he used to make before that the question arises whether there are two persons in the venerable Bishop Hrizostom that are suitable for use in two different situations. He said very different things when we lost the territory in the western RS.

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[Box, p 13]

Representatives and Citizenship for the Diaspora

[Kusmuk] As you know, VESTI readers are scattered all over the world....

[Plavsic] Unfortunately, as I said before, our motherland Serbia does not happen to be the Piedmont of Serbian nationality. The RS is, and we are defending the entire Serbian nation. In this sense, we have to make real every aspect of integrating the Serbs, here and in the diaspora.

In addition to the contacts we have had hitherto, we have an outline of an agreement according to which the Serbs of the diaspora will appoint their representatives to the National Assembly. It will provide an important contribution to the creation of a united Serbian state. Of course, in such a parliament, I will support the idea that every Serb living in the diaspora should be given Serbian citizenship if they want it.

[Box, p 13]

Capital To Be Chosen by Referendum

[Kusmuk] A change in the Constitution awaits the RS, i.e., coordination with the situation after Dayton. It also requires the proclamation of the capital. The prime minister said that it would be Banja Luka. Was that his personal opinion or the position of the leadership?

[Plavsic] If that is a political agreement, I was not present when it was reached, and my position implies that I should be informed about it. When it comes to such delicate matters, a person in such a high position in the government should not make an announcement like that carelessly. It is certain that the administrative center of a state should be somewhere inside its territory, not on the border like a watchtower. The territory of the RS becomes narrow at one point and that narrowing divides it into the eastern and western parts, but it would not be a problem if it were not for certain clashes between the two territories. The elimination of these clashes is the No. 1 political task.

A Serb from Krajina has to be of the same political and national disposition as a Serb living in Herzegovina or in the east of the RS. In a time like this, there are only two kinds of Serbs: patriots and traitors. Until a stable Serbian state is formed, for me there are only patriotic Serbs. So, every local case of losing one's way can be regarded as treason.

In my opinion, a capital should be placed in the middle of a state's territory. Nevertheless, every suggestion should be discussed and presented to the people, and the people must be allowed to decide on it by referendum, because this is the people's state.

B-H: Liberal Party Leader: SDA To Dominate Elections

AU0204150596 Zagreb VECERNJI LIST in Serbo-Croatian 2 Apr 96 p 8

[Interview with Rasim Kadic, chairman of the Liberal Party of Bosnia-Herzegovina, by Aleksandra Vincar in Bihac; date not given: "Sarajevo Must Not Be a Monoethnic City"]

[FBIS Translated Excerpt] [Passage omitted] [Vincar] The Liberal Party is by definition a civic party, which means that it cannot support the organization of Sarajevo as a Bosniak canton.

[Kadic] The Liberal Party was the first one in Sarajevo to object to the way things were being done, even before the constitution of the canton. However, since we only have one deputy in the city assembly and (since the cantonal deputies are elected from the communes), we were left even without that one seat in the canton, we had practically no say in the matter.

Sarajevo must not be organized as a monoethnic city, and I am convinced that the decision that has unfortunately already been made will have to be modified. I think that this will take two forms: First, it will lead toward some kind of a district that would be an exclusive zone of the Bosnia-Herzegovina state, and second, the talks will continue under pressure by the international community, so that the demands of Sarajevo Croats will be met in terms of their influence on the decisionmaking in the city of Sarajevo, from the communes to the canton. I do not know whether their demands will be met 100 percent, but I am sure that if we want the Croats to survive in Sarajevo and if we want the state of Bosnia-Herzegovina, then we will have to start serious talks on the Croat participation in the authorities.

Attempts at Majorization

[Vincar] There is an obvious attempt at majorization by the Bosniak people on the territory under the control of the Bosnia-Herzegovina Army, in the sense that they are trying to seize the exclusive right to the Federation as they once tried with the republic. The ethnic composition of the Federation police is an obvious illustration of that. Where is this leading?

[Kadic] It is a kind of competition at outsmarting that will most certainly not lead to the implementation of the signed agreements. I am one of those people who say that the only thing functioning in the Federation are the roads and nothing else, not the Federation police because that is not what it is. Federation authorities will have to improve things as soon as possible, otherwise

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the Federation will disintegrate into two independent parts.

[Vincar] How do you see the elections?

[Kadic] It will be very hard to make sure that they are free and correct, both in the sense of the economic power of the individual and the conditions for the elections. However, if we do not have the elections now, when are we going to have them? I say let us not postpone the elections, regardless of what they will be like.

As for the elections, I estimate that there will be six to seven parties in the Federation, and that in three blocks: the ethnic political parties, the social democratic parties of the left, and then the Liberal Party, Silajdzic's party, and Komsic's political group, which does not mean that these blocks will enter any coalitions.

[Vincar] You mentioned Silajdzic. What is his place in the elections?

[Kadic] Silajdzic and we occupy the same political space. He did leave the Party of Democratic Action [SDA], but he cannot go too far left. So we will share the political center and will appeal to the same kind of voters, but we will most likely act independently.

The SDA Is the Dominant Party

[Vincar] What is the position of the SDA and its leader Alija Izetbegovic?

[Kadic] My assessment is that the SDA will remain the dominant party, although in many communes the local SDA leadership does not enjoy the support of the local people. Still, I personally believe that it would be better for both the Bosniak people and the SDA if the relations between the SDA and the other parties were more balanced. [passage omitted]

B-H: SPRS Defies 'Heinous Allegations' on Party Activity

AU0104194096 Belgrade RTB Television Network in Serbo-Croatian 1730 GMT 1 Apr 96

[Report by Predrag Sarac from Samac—recorded]

[FBIS Translated Text] [Sarac] Election activities have started in the Socialists' municipal organizations, which are a part of preparations for the 1st congress of the Socialist Party of the Serb Republic [SPRS] and first parliamentary elections. The SPRS, whose membership is expanding daily, has defined its program commitments in terms of peace maintenance and the reconstruction and development of the devastated Serb Republic. The election rally, organized by the party's municipal council in Derventa, which has almost 1,000 members, particularly focused on more comprehensive reconstruction. In addition to electing the municipal council and organization's bodies, the rally also elected Milan Gavric president. [sentence as heard]

The conference hall in Srpski Brod [Bosanski Brod] was too small to accommodate the numerous delegates and guests who attended the SPRS's first election rally in the Posavina municipality. Milovan Cerek was elected president.

Today's rally in Samac was also addressed by SPRS President Dr. Dragutin Ilic:

[Ilic] I wish to acquaint you with the forces with which the SPRS is joining the election campaign for power, but not for power that will be abused by groups and individuals, but power to be used to the advantage of the people as a whole. Our party is joining the campaign with organizations throughout the RS, as the remaining six municipalities in the eastern part of the republic will constitute their councils by 1 May. They will also have organizations in all of the local communities. We shall be participating in elections with 40,000 SP activists, with a program that is acceptable to the majority of RS citizens, with exceptionally moral and competent personnel who have a high degree of responsibility for the obligations they took upon themselves, with connections with the ruling party in our mother country. We are the ones who most authentically represent the interests of our people, and we are its connective tissue [vezivno tkivo]. All of this makes us the realistic favorite in the forthcoming elections.

[Sarac] Striving for the creation of a democratic election atmosphere and interparty tolerance, Ilic opposed all those who, with heinous allegations, are trying to discredit the SP's democratic political activity that is in the interest of the RS citizens.

B-H: Commentary Views SDA, HDZ Strategies in Tuzla

AU0104181996 Sarajevo OSLOBODJENJE (Bosnian) in Serbo-Croatian 27 Mar 96 p 7

[Commentary by Zlatko Dukic: "Each to Himself"]

[FBIS Translated Text] The members of a large delegation from the Swedish town of Goteborg, which was visiting Tuzla in the second half of last week, would have had to be uninformed to be surprised by the behavior and messages of the two leaders of the local parties—Peja Banovic of the Croatian Democratic Community [HDZ] and Adnan Jahic, the successor to Minister Mirsad Kikanovic at the helm of the Party of Democratic Action [SDA] in Tuzla. Speaking about the political work, policies, and especially the electoral goals of their

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parties, Banovic said that "the Croats will not give up their municipalities, including Tuzla," while Jahic said what he elaborated in more detail in a live program on cantonal television later on the same evening: It is clear that the Serbs will go with the Serb Democratic Party and it is known whom the Croats will vote for, which means that only the SDA is left for the Bosniaks. Those who do not understand this.... [sentence incomplete as published]

Electoral Strategy

Although he did actually complete the sentence, Jahic, even if he had not done so, would have made it easy to conclude that Bosniaks who do not show their trust in the SDA will come very close to the status of traitors. This view was long ago launched by a local paper, which used it in the headline and called for "a closing of the ranks." It indirectly reminded the Bosniaks in other, therefore, opposition parties that they on the one hand are "not sufficiently good Bosniaks" and on the other that it will not be forgotten.

Things are not at all innocuous or lacking in firm political roots in the basic electoral strategies of the national parties, as can be seen from some accompanying, although unofficial episodes. One of them, although not the only one, recently puzzled a Bosniak from the opposition, who is otherwise a respectable Tuzla resident. A man from the local SDA leadership, who is also highly placed in the army, said after having one drink too many:

"Those who are not in the SDA not only will not be able to hold any post of authority, but the question is whether they will be able to live here at all."

This and similar cases, including the "unexpected" and recently effected highly controversial replacement of Merzana Fisco as director of the DITA detergent factory, immediately after the arrival of Izudin Kasetovic at the helm of SODASO Holdings, as we have said, are neither innocuous nor coincidental. The SDA's "special plan" for the conquest and subjugation of Tuzla and the Tuzla authorities may be just something of a street rumor. However, when the words uttered after a drink too many come true, it is definitely a far cry from any such street rumor or idle speculation. With the help of "their" cantonal television, their open message did not leave any room for doubt. When added to the fact that the incident in question involved the hardliners of the Tuzla SDA, which is becoming increasingly vocal in saying that "the HDZ has betrayed us as a partner," it becomes apparent that something is going on.

On the other hand, the local HDZ has never cut its umbilical cord with Zagreb via Grude and Mostar. Because some "livelier" individuals in the local HDZ in 1993 correctly assessed that "it would not pay" to disturb relations with the Bosniaks (for the simple reason that the Croats were in a clear minority and would definitely lose out), the opposition parties did not find it difficult to convince the residents of part of the country that joint life, tolerance, and understanding is the only correct option. This has been the case for centuries, anyway.

Turning to the Opposition

However, those who profess "each to himself" are growing more vocal at present. Following the logic "do not touch me and I will not touch you," the SDA is observing the HDZ's preparations for forming "Croatian municipalities" relatively calmly. On the other hand, the Federation partner, who puts up its umbrella whenever it rains in Zagreb, has nothing against "a Bosniak state." They even go so far as to quietly seek "the cementing of the existing zones of influence." Therefore, each to himself again.

It appears that we are facing a classic stalemate at the moment. The rumors about "the profound disappointment in the SDA with the Federation partner" could be a tactical or simply mathematical trick. Especially when it is said that the "way out" will be in unification with the opposition. In such a case, the opposition would doubtlessly betray itself and this country.

B-H: Posavina Canton Formed in Northeast Bosnia

LD0204195996 Mostar Croatian Radio Herzeg-Bosnia in Serbo-Croatian 1600 GMT 2 Apr 96

[FBIS Translated Excerpt] The Posavina canton was formed in Orasje today. Here is a report by Nada Koturic:

[Begin unidentified Orasje official, announcing election of new Posavina canton president, recording] I declare that Mr. Ivo Vincetic has been elected by a majority of votes as president of the canton, or rather, prefect [applause] [words indistinct] [end recording]

[Koturic] The founding session of the Posavina canton was held in Orasje today. Among others, Srecko Vucina, vice president of the Bosnia-Herzegovina Croatian Democratic Union [HDZ]; Darinko Bago, Croatian ambassador to Bosnia-Herzegovina; and Mato Tadic, minister of judicial affairs in the Bosnia-Herzegovina Federation were also present at the session.

It should be said that the decision to form the canton nevertheless provoked the dissatisfaction of representatives of municipalities which, according to the new decision, will not be part of this canton. Canton No. 2, or the canton of Posavina, covers the area of Orasje

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and Odzak and parts of the municipalities of Bosanski Samac, Bosanski Brod, and Brcko.

After approving documents on the formation of the Posavina canton, which is also in line with the Dayton agreement, the electoral part of the session began. This part elected officials to the following posts:

Mr. Mato Madjarevic, a deputy from the Bosanski Samac municipality and one of our qualified mechanical engineers, was elected president of the cantonal assembly; Mustafa Hadji-Spahic was elected as vice president; and Marijan Ivanovic, a qualified lawyer in the Orasje municipal assembly, gave up his candidature for the post of secretary to the [cantonal] assembly.

Ivo Vincetic, who has a degree in economics, was elected by a majority of the votes as prefect [zupan] and prime minister of the canton, as you heard at the beginning of this item. [passage omitted]

Just before the cantonal assembly session, a peaceful protest by citizens of Ostra Luka was held in Orasje today. About 500 of them came out on to the streets, in front of the Posavina leaders and guests from the Croat Republic of Herceg-Bosnia and the Republic of Croatia, to tell them once again that villages should not be allowed to be divided [between Bosnian Serb Republic and the Bosnia-Herzegovina Federation] and their sacred churches and cemeteries should not be allowed to become part of the Serb entity, as envisaged by the borders [drawn up at Dayton]. They were told that the problem of Ostra Luka will be discussed on Saturday at the highest level.

B-H: Turkey To Open General Consulate in Mostar

AU0104174696 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 1 Apr 96

[FBIS Translated Text] Turkish high-level officials have announced that everything is ready for the opening of a Turkish general consulate in Mostar. According to the same source, Murat Adali will be the first general consul. After opening the embassy in Sarajevo, this will be the second Turkish diplomatic mission in Bosnia-Herzegovina.

B-H: Rail Between Yugoslavia and Serb Republic Restored

LD0304131196 Belgrade SRNA in Serbo-Croatian 1240 GMT 3 Apr 96

[FBIS Translated Excerpt] Bijeljina, 3 Apr (SRNA)—The Belgrade rail transport company restored rail traffic on the Sid-Bijeljina line at 0330 this morning following an interruption caused by the economic embargo imposed on the Serb Republic. [passage omitted]

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Croatia: Tudjman Appoints Brown Crash Probe Commission

LD0304180196 Zagreb Radio Croatia Network in Serbo-Croatian 1700 GMT 3 Apr 96

[FBIS Translated Text] Here is a statement from President Tudjman's office just in:

On the basis of article 106 of the constitution of the Republic of Croatia, in connection with the tragic crash of a U.S. Air Force plane in the vicinity of Dubrovnik, I pass the following decision on the setting up of a state commission.

First, I am setting up a state commission which should, in cooperation with all relevant expert bodies of the governments of the United States and Croatia, establish the circumstances of the tragic crash of the U.S. Air Force plane with Secretary of Commerce Ronald Brown, members of a U.S. delegationand the aircrew on board. The state commission will submit a report on all the established circumstances as soon as possible.

Second, I appoint the following officials to the commission: Prime Minister Zlatko Matesa is appointed chairman of the commission; the following are appointed members of the commission: Minister of Foreign Affairs Mate Granic; Minister of Defense Gojko Susak; Minister of Internal Affairs Ivan Jarnjak; President's Office Head Ivo Sanader; Luka Bebic, head of the Office for National Security Luka Bebic; Zeljko Luzavec, minister for maritime affairs, transport and communications; General Zvonimir Cervenko, chief of staff of the Croatian Army; and Ivan Misetic, head of state protocol.

Third, this decision takes immediate effect.

[Signed] Croatian President Franjo Tudjman

Croatia: Tudjman Cancels Engagements After Air Crash

LD0404091696 Zagreb Radio Croatia Network in Serbo-Croatian 0800 GMT 4 Apr 96

[FBIS Translated Text] Croatian President Franjo Tudjman has canceled all his protocol activities in view of the air crash in which U.S. Commerce Secretary Ronald Brown was killed. The president has been in permanent contact with Prime Minister Zlatko Matesa, who is chairing the state commission examining the causes of the air crash.

Croatia: PM Meets With Head of IFOR Logistics

LD0304143496 Zagreb Radio Croatia Network in Serbo-Croatian 1100 GMT 3 Apr 96

[FBIS Translated Text] Croatian Prime Minister Zlatko Matesa and Major General William Farmen, Zagreb-based commander of IFOR [Implementation Force] logistics, have discussed details of the agreement on technical cooperation between Croatia and IFOR at the Presidential Palace in Zagreb. The talks, also attended by Minister of Maritime Affairs, Transport and Communications Zeljko Luzavec and Deputy Foreign Minister Ivan Simonovic, were a chance to explain the costs of infrastructural services which Croatia was providing to IFOR.

According to Minister Luzavec, an agreement on compensation for IFOR's use of naval ports and airports will be signed soon and it will be followed by an agreement on protection of the environment. General Farmen assessed today's talks as successful and said that a definite agreement would be reached soon.

Croatia: UNTAES' Schoups Views Deployment in E. Slavonia

AU0404084096 Beli Manastir Srpski Radio Network in Serbo-Croatian 1430 GMT 2 Apr 96

[Report on interview with Belgian General Joseph Schoups, commander of UNTAES military forces, by unidentified correspondent; place and date not given; from the "Vise od Vesti" program — Schoups statements recorded; Schoups speaks in English followed by correspondent's Serbo-Croatian translation]

[FBIS Translated Text] By mid-May all 5,000 UNTAES [UN Transitional Administration for Eastern Slavonia] troops will have arrived in the Srem-Baranja province.

Belbat [Belgian battalion] will be deployed in the Beli Manastir area, while the Pakistani battalion will be deployed in the Darda area. This is what General Joseph Schoups, commander of the UNTAES military forces for the Srem-Baranja province, said in yesterday's UN Radio program. General Schoups also talked about other military issues, including relocation of the headquarters.

[Schoups] During the weekend we located our operational HQ at General Loncar's garrison. In early February I said we would be ready by the end of March. The operational part of my HQ has been in Vukovar since Sunday. The rest will arrive together with Mr. Klein on 15 April.

[Correspondent] According to General Schoups, General Loncar himself offered this location for UNTAES HQ.

[Schoups] Our cooperation has been very constructive. In early February General Loncar himself proposed that we take part of his HQ, and we appreciate that very much because I think this will speed up the peace solution and demilitarization of the area.

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[Correspondent] The HQ in Vukovar will be the heart of the UNTAES mission. About 120 members of the military force and up to 150 civilians will be working at this location. We asked whether the transfer of the HQ would have a positive impact on the mission.

[Schoups] Definitely since my aim is to integrate General Loncar's command structure with our command structure in the demilitarization stage. It is easier to work together, exchange information, and begin the demilitarization operation in an atmosphere of dignity and good cooperation.

[Correspondent] More and more troops are arriving in the area. A helicopter squadron recently arrived from Ukraine. They will be operating from the Klisa airport. Moreover, Jordanian advance troops have also arrived, and they are going to make preparations for deployment. The Pakistanis are coming next week. We asked General Schoups where they were going to be deployed.

[Schoups] Generally speaking, if we look from the north towards the south of eastern Slavonia, Belbat will stay in the Beli Manastir area. The Russbat [Russian battalion] will be at Klisa and Vukovar. The Pakistani battalion will be deployed in the Darda area, between Belbat and Russbat. In the south, in the surroundings of Orolik, Nijemci, Lipovac, and Ilok, we will deploy the Jordanian battalion.

Some of the smaller units will be in Dalj — for example, the tank units — while the engineers, helicopters, and the logistics base will be at Klisa.

[Correspondent] General Schoups expects the deployment to run as planned. This means that from late April to mid-May almost all 5,000 troops will come to eastern Slavonia.

General Schoups took over command of the UNTAES on 14 March 1996. We asked him to assess the progress of the mission since he took over.

[Schoups] The main progress we have made is the significant move from Erdut to Vukovar because Vukovar is a symbol in the area. Setting the HQ in Vukovar was our main aim. The second part is that we guarantee we will have the 5,000 troops on the ground, that they will be deployed on the ground by the end of April.

[Correspondent] Many events took place last week. Among those was the mutual visit to the villages that took place on Thursday. We had a report on that on the UNTAES Radio on Friday. According to General Schoups, the positive development of events as far as the establishment of trust is concerned will continue.

[Schoups] Starting next week, we will open more and more crossings; the Nustar crossing will be open; the highway at Lipovac will also be open, as will the road from Mohacs towards Osijek. All these crossings will be used in the future for meetings of families.

Croatia: Ambassador Albright's Recent Visit Criticized

AU0404082796 Beli Manastir Srpska Televizija in Serbo-Croatian 2015 GMT 29 Mar 96

[FBIS Translated Text] VECERNJE NOVOSTI reports that during her recent visit to Vukovar Ms. Madeleine Albright experienced a moral (?defeat). This is what the paper says:

Extremely disinclined towards the Serb side ever since the disintegration of the second Yugoslav state, which she regularly showed at all the UN Security Council sessions by sending poison arrows, [words indistinct] Madeleine Albright, U.S. representative at the East River glass palace, was surprised in a remarkably unjustified way at the fact that she was not welcomed with ovations and flowers by some of our people in the Srem-Baranja province.

During her last visit to Vukovar, in which she was accompanied by the U.S. ambassador to Croatia, Peter Galbraith, UN administrator for the province General Jacques Klein, and some 20 Zagreb reporters, Madeleine Albright seemed to have forgotten the old truth about those who are wronged remembering more than those who do wrong unto them.

Evidently angry that, during her tour of this area, which is still hot, she was not treated as a representative of the number one world power, except in the official talks with her hosts, [words indistinct] the pre-election campaign of her supreme chief, William Clinton, as well as her own diplomatic promotion, her comment on the sounds of disapproval, insults, and an occasional egg thrown at the convoy she was in, was the cynical sentence: It is no wonder that those who destroyed Vukovar do not like me.

If the U.S. ambassador really believes that her statement has a basis, then, considering the great number of candles on her last birthday cake, she should have accepted the feelings of the suffering people who, just like her, have the right not to like those who do not like them, with much more dignity.

It is precisely because of this, and in view of the fact that Ms. Albright condemns demonstrations, but only those that are off the U.S. shores, while she says revolt is the free will of the people when it occurs around the White House or the State Department, that it would be appropriate if she at least replied to the letter just sent

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to her by Milan Djukic, president of the Serb National Party in Zagreb.

Asking the ambassador to apologize publicly to the Serb people for all the suffering she imposed on them through the power of her position, Djukic put Albright to a severe test. If she really considers herself and her country great and powerful, she should not find it difficult to admit to the mistakes, which were also made by some European statesmen of a much greater stature than herself, a clerk in the U.S. administration.

Otherwise, if she finds herself in this area again, she will most certainly not be welcomed with bunches of flowers but with (?bundles) of memory.

Croatia: Media 'Propaganda' Against Bosniaks Analyzed

AU0404093996 Zagreb GLOBUS in Serbo-Croatian 29 Mar 96 p 6

[Article by Davor Butkovic: "Is the Croat Leadership Preparing the Croats for a New War With the Muslims Through the HTV?]

[FBIS Translated Text] The police of the Federation of Bosnia-Herzegovina did not want to enter a Croat village in the vicinity of Vitez two weeks ago. The villagers had put up barricades, organized demonstrations, and finally beat up the policemen.

A son of one of the participants of the demonstration was killed in the Croat-Muslim war two years ago. For this man all Muslims are simply "balija" [derogatory term used for Muslims], in whose company he no longer wants to live. He will not permit Muslim policemen to enter his town under any condition!

On Monday, 25 March, the main daily newscast on HTV [Croat Television] in its longest report dealt with Croat-Muslim incidents in central Bosnia-Herzegovina, Sarajevo, and Posavina. The item was relatively accurate. It even mentioned that explosives were planted in front of a mosque in Posavina. However, the item mostly consisted of accusations of Muslim aggression.

The report about Croat-Muslim conflicts during the main daily broadcast on Monday is only one of the increasingly numerous examples of propaganda used by Croat state media, with which they wish to prepare the public for an eventual new conflict with the Muslims.

During the last 20 days there have been a number of reports regarding the danger from the Muslims. These reports could be seen on HTV, read in major daily newspapers, as well as in low-circulation weekly magazines that are edited by the HDZ [Croatian Democratic Community], or by the supporting offices of the Presidential palace (VELEBIT, OBZOR, etc.).

The Competitors Are Not Resting

Just like three years ago, talk of a Muslim fundamentalist expansion is again getting louder and louder. War plans against Croatia are being mentioned, as are plans for the extermination of Croats; documents from 1993 have been found that are to prove the Muslims' criminal intentions toward Croats.

There is also talk of the existence of a plan made by Muslim extremists for the total extermination of Croats in Bosnia-Herzegovina or for their absolute submission.

One of the most severe pogrom-oriented comments heard on HTV, which was aired last week and spoke of such a plan, gave the impression of a real declaration of war against the Bosnia-Herzegovina Muslims — formally, Croatia's main allies! — and future Croat state and federal partners.

Commentaries as Ordered

As is now also publicly known, the official commentaries on HTV are usually in accordance with orders from the Presidential palace (sometimes they are even written there). It is furthermore known that certain Croat newspapers are edited directly according to the orders of the party and state leadership (it should here be noted that the HDZ is currently founding an informal committee to supervise the media!), so the campaign against the Muslims is by no means something accidental.

This campaign systematically divides Muslims into extremists and the good, "honest" ones, just as Slobodan Milosevic introduced the division between evil and honest Albanians at the end of the 1980's, when he went and reconquered Kosovo. This clearly bears the mark of the Croat state leadership's policy.

For the international community the official Croat policy toward Bosnia-Herzegovina until now has been the best and most acceptable indicator of the whole political performance in this past year.

Croatia has shown itself as cooperative, especially during the negotiations in Dayton, as well as in other situations, such as the crisis regarding the organization of Mostar that took place not long ago. In this regard, President Tudjman is right to claim that Zagreb is a basic indicator of stability in this part of Europe.

Croatia did agree to the main conditions of the peace agreement. Even though it meant numerous internal problems (the anger of the Croats from the Posavina region, the great dissatisfaction within the army due the handing over of Mrkonjic Grad and Sipovo, where many

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soldiers of the HV [Croatian Army] had fallen, mostly people from Dalmatia, as well as a general).

President Tudjman also faced the bitterness of his most loyal voting body, the people of Herzegovina, by agreeing to dissolve Herzeg-Bosna [as published].

Because of all these concessions, he secured not only a relatively stable position for the state from the point of view of foreign policy but also a greater internal autonomy. This means that even the disregarding of the results of the democratic elections nor the proven crimes after the operation "Oluja," did not provoke any real dissatisfaction of the international community toward Croatia, as long as it was prepared to cooperate with Bosnia-Herzegovina.

The media campaign in Croatia that is currently in effect against the Muslims indicates the first basic — although informal, for the time being — deviation from this policy of cooperation.

It is impossible to guess now what the real goal of the anti-Muslim propaganda is.

Counting on the Breakup of Bosnia-Herzegovina?

Are these tactical moves with the desire to strengthen the Croat position in the negotiations regarding the organization of the Federation and certain cantons of the Federation, or is it a new promotion of Croat secessionist policy in Bosnia-Herzegovina which is counting on the breakup of Bosnia-Herzegovina after the departure of the American army?

It should here be pointed out that the French Foreign Minister Herve de Charette stated not long ago that the way that the Dayton agreement has so far been carried out points toward the fact that Bosnia-Herzegovina will inevitably break up.

It seems that the Croat official policy has begun, through the media that it controls, to prepare the Croat public for such an outcome and its consequences.

One of the closest associates of Minister Gojko Susak has told us that it really will not come to a military conflict between the Croats and Muslims while the NATO military units are present in Bosnia-Herzegovina. Furthermore, the Presidential palace and the Defense Ministry believe that NATO will remain there even after Christmas 1996, after the first mandate expires.

Even a former commander of the HVO [Croatian Defense Council], who was, for a short time, a close associate of [Bosnia-Herzegovina] President Izetbegovic, a Muslim and a professional soldier, also thinks that it cannot come to a Croat-Muslim war as long as NATO troops are administering Bosnia-Herzegovina.

However, it is dangerous because almost the entire infrastructure for the conflict has already been created.

Even today after the removal of the most dangerous extremists such as Mate Boban and Darijo Kordic, certain opponents of the Croat-Muslim cooperation exist on the political level as well—in the leadership of the Bosnia-Herzegovina Croats itself. For example Ivan Bender and Pero Markovic.

The War Chief of the HDZ

It is very significant that Bozo Raic was chosen as the new head of the Bosnia-Herzegovina HDZ. He was previously the minister of defense of Bosnia-Herzegovina. He had ordered that the Bosnia-Herzegovina army be subject to the command of the HVO in the cantons that were under Croat administration in 1993. This was the formal reason for the Croat-Muslim war!

Assigning Raic as the head of the Bosnia-Herzegovina HDZ best shows what the HDZ, and with that the Croat political and military hierarchy in Bosnia-Herzegovina as well as part of the Zagreb political leadership, think of the cooperation with the Muslims.

It is important that even the politically moderate representatives of the Bosnia-Herzegovina Croats have been reacting aggressively toward the Muslims nowadays. The best example is the statement made by Jadranko Prlic, the Minister of Defense of the Republic of Bosnia-Herzegovina, who openly said that the division of Bosnia-Herzegovina could be a realistic end to such a peace process.

Prlic also points out the guilty party for such an ending to the Dayton agreement. This is politically careless but exact. While attacking the Bosniaks regarding their tendencies to the Federation and the Republic, he stated "I will not lead the Croat nation into any kind of adventure. That is a matter for state policy and President Tudjman!"

Apart from the political hierarchy, the attitude of the population is also a basic factor of the Croat infrastructure which is prepared to accept a new conflict with the Muslims. The political leadership is, with the exception of the Federation President Kresimir Zubak, totally devoted to the idea of secession.

It is a fact that the Croats of Bosnia-Herzegovina, with a few exceptions, no longer want to cooperate with the Bosniaks. These people were those that suffered most after the terrible war in 1993. Many people from Herzegovina, as well as Croats from central Bosnia-Herzegovina, hate Muslims more than they hate Serbs!

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Such feelings are mutual. Muslims in eastern Mostar were summoning a GLOBUS reporter a month ago and saying: "Beware the people of Herzegovina!"

A third important element of the infrastructure that is ready for a new war with Muslims is the weak position of the Catholic church in Bosnia-Herzegovina.

It is known that it was the Church that was continuing to put an end to the Bosniak-Croat conflict and that the Franciscan monks did not want to visit the military front lines of the HVO facing the Muslims at Christmas 1993. It is also known that the Bosnia-Herzegovina Cardinal Puljic and provincial Andjelovic lobbied strongly for the continued existence of an united Bosnia-Herzegovina and that Cardinal Kuharic himself spoke out against Tudjman's policies in Bosnia-Herzegovina at that time, even in a GLOBUS interview.

Today the church in Bosnia-Herzegovina is much weaker than is was three years ago. This is because of the conflict between the Franciscan monks and the bishop in Herzegovina and because of the difficult situation of Croats in some parts of the Federation, which damages the arguments of the Church throughout Bosnia-Herzegovina.

The National Interest is Threatened!

Well, although the government in Sarajevo increasingly discriminates against the Bosnia-Herzegovina Croats, although the Croats and Bosniaks cannot stand each other in those areas where they previously fought, and despite the fact that in some parts of Bosnia-Herzegovina one must learn Arabic, the Republic of Croatia may not even consider a conflict with the Bosnia-Herzegovina Muslims!

Such a conflict would bring about the inevitable international isolation of Croatia (one need only remember that it was subject to undeclared, but effective, economic sanctions in 1993!), which would considerably slow down the reintegration of eastern Slavonia. This would be, for example, because the United States would no longer support reintegration if Croatia were to conduct itself improperly in Bosnia-Herzegovina.

The American Ambassador Peter Galbraith told me at a dinner back in September 1993 that Croatia cannot expect support for the return of its territory while trying to control the territory of its neighboring country. In the end, the conflict would cause the expulsion of those Croats that are still left in Bosnia-Herzegovina.

There are fewer and fewer people living in Herzegovina, which will remain Croat whatever the circumstances. Most of the people are moving to Zagreb or Split!

That is why it is clear that a new Croat-Muslim war, which the state media seem to be preparing the public for, would be the greatest threat to Croat national interests.

Croatia: Refugee Serbs Plan Collective Return

AU0404082996 Beli Manastir Srpski Radio Network in Serbo-Croatian 1700 GMT 29 Mar 96

[Interview with Milenko Vucetic, president of the Association of Refugee Serbs in Baranja, by Gordana Mandicon; place and date not given]

[FBIS Translated Text] *The Association of Refugee Serbs in Baranja will hold a session in Beli Manastir tomorrow. For this reason our colleague Gordana Mandic talked to the president of the Association, Milenko Vucetic:*

[Mandic] Mr. Vucetic, tell us what the aim of this session is.

[Vucetic] We are going to hold a session on 30 [March] at 1500 [1400 GMT], in the municipal assembly building at the Sloboda Square. This is going to be the final stage of the work we have been doing for over a month now. We have visited the communities in Baranja in which the concentration of our people is greatest. It is common knowledge that a great number of our people are in this area, that there are over 17,000 of them.

A great number of people attended our meetings — over 3,000 attended the meetings in the surroundings of Beli Manastir and in the northern part of Baranja only. At these meetings we discussed the implementation of the Dayton Accord and the Erdut Agreement as well as the Security Council resolution.

Since we have activity programs that are in compliance with these documents and that give us the right to return, we have elaborated the system of our return and asked our people to discuss and support these positions. We were given absolute support.

Therefore, at this session we will discuss more or less the same things we discussed at the meetings, though we will probably further elaborate them in the discussion since unity was expressed concerning the insistence on collective return. There can be no selective return or temporary accommodation anywhere but only collective return under the conditions we will set, which is normal in view of the European and international demands concerning democratic rights in Croatia, which are that preconditions be created for our democratic, normal, human, equal life once we return to our areas — naturally, also that everything that was destroyed be reconstructed.

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[Mandic] What would your message be to refugee Serbs in Baranja?

[Vucetic] To continue to be proud, not to hate other peoples, since that is not characteristic of us Serbs, and to persist in making the international community, which has taken over control of this area, and will have control of this area during the transitional period, put into effect everything that was outlined in the signed agreements and the Security Council resolution. We will support them in that. On the other hand, the Republic of Croatia must create the preconditions for our return — as I have already said — not through reception centers, but with a view to the fact that we are temporarily accommodated in houses whose owners are in Croatia, that they are not our houses, and that our property is on the other side, on their side, regardless of whether it has been destroyed or preserved. What was destroyed must be reconstructed, and what has been preserved must be put at our disposal, while compensation must be provided for what was stolen.

I am particularly pleased to be able to say again that we in the Baranja area are proud of the fact that all the houses in which refugee and displaced Serbs are accommodated have been preserved. The only houses that did not fare well — a small number — are ones in which no one was living. Therefore, the houses where refugee and displaced Serbs are living have been preserved, but we will remain in those houses until our conditions are met.

[Mandic] According to Mr. Vucetic, the session will be open and, in view of the importance of the topics to be discussed, it is expected that a great number of refugee Serbs will attend.

Croatia: Beli Manastir Council Discusses Settlement

AU0404075596 Beli Manastir Srpska Televizija in Serbo-Croatian 2015 GMT 29 Mar 95

[FBIS Translated Text] The Executive Council of the Beli Manastir municipal assembly met today to discuss the program for housing and settling displaced persons from the western parts of the Krajina in the Baranja area. Approximately 4,000 people have arrived in the Baranja area since the beginning of the year. In accordance with the adopted housing and settlement plan, more intensive activity will follow as of next week to repair damaged facilities so that more people can be accommodated in better housing.

The Executive Council continues to insist on its earlier decisions on settlement of displaced persons, according to which all institutions must abide by the obligations they made earlier.

The council also adopted the 1995 municipal budget, as well as the proposal for this year's budget. It was stated that the budget will depend on financial discipline and the overall situation of the economy.

The Executive Council also appointed a committee to prepare documents on war crimes against Serbs from 1991 to 1995. The committee consists of professionals from the district court and public prosecutor's office as well as representatives of the Baranja Association of Soldiers.

Croatia: Zagreb's Attitude Toward Return of Serbs Assailed

AU0404081396 Beli Manastir Srpski Radio Network in Serbo-Croatian 1600 GMT 2 Apr 96

[FBIS Translated Text] Croatia continues to prevent the mass return of the refugee and displaced Serbs, and, with the recent change in the compensation law, it has dodged the responsibility for destroying the Serbs' property, which represents a direct breach of the international law of liability.

The Croatian Parliament has recently rescinded article 180 of the former federal law of liability relations, dating from (?1978), which stated that the state is responsible for damage that occurs during terrorist acts and public events, as well as for the protection of the lives and property of individuals.

Croatia has thus through legal regulations decided to dodge responsibility for the destroyed property of the Serbs from the Republic of Serb Krajina, which is contrary to the international law of liability as well as to Annex 7 to the Dayton Accord, which specifies that all the refugees have a right to compensation for destroyed property.

According to information of the Belgrade office of the UNHCR [UN High Commissioner for Refugees], about 600 persons have stated they want to return to the Republic of Serb Krajina. However, since 31 January 1996 only 200 have returned with the help of the UNHCR.

The Helsinki Committee for Human Rights in Serbia has registered 30,000 applications, while other organizations have stated they have information about 50,000 persons who wish to return to Croatia.

Since 1991 when Croatia started armed secession from the Socialist Federal Republic of Yugoslavia, over 500,000 Serbs have fled or were driven out of this former Yugoslav republic.

The return of the refugee Serbs is being prevented in Croatia, and it is the party in power that is behind the

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foul dealings. Namely, delegations of the HDZ [Croatian Democratic Community] Parliament representatives started to visit inland Croatia, that is, the occupied territory of the western Krajina, assuring the newly arrived Croatian refugees who are living in Serb houses and on their estates that they should not worry but should consider what they have been assigned as their own.

A cause for particular concern is the claims and assurances coming from these emissaries visiting the Croatian refugees in the Krajina, saying that they should not worry since President Tudjman's signing the document in Geneva stating that the return of the Serb refugees will be speeded up was only to appease the international community, but will not amount to anything.

Croatia: Logistics General Views Army Equipment

AU0304140896 Split NEDJELJNA DALMACIJA in Serbo-Croatian 29 Mar 96 p 6-7

["Exclusive" interview with Major General Vladimir Zagorec, assistant to the minister of defense for logistics, by Mario Galic; place and date not given: "Croatia Will Export M-84 Tanks!"]

[FBIS Translated Text] *Major General Vladimir Zagorec is one of the youngest Croatian Army generals (born in 1963 in Zagreb). Since the beginning of the Liberation War he has been working on logistics support for the Croatian Army, first as the advisor for special affairs in the President's Office and since 1992 as deputy assistant of the minister for logistics at the Ministry of Defense. Since 7 April 1993 he has been discharging the duties of the minister's assistant for logistics and the manager of the government company "RH ALAN" Ltd. in charge of the sale and purchase of arms and military equipment. In 1994 he was promoted to major general. He has been awarded the Liberation War Decoration, Homeland Appreciation Decoration, Order of Croatian Trefoil, Order of Ban Jelacic, Order of Prince Domagoj, Operation Flash, Summer 95, and Storm Medals, and the Medal for Exceptional Enterprise.*

In foreign military analysts' opinion, which is not often mentioned in the general public, one of the crucial factors of the Croatian military success has been supplying the Croatian Army under conditions of a total arms embargo. After the military review of the armed forces on Croatian National Day 1995, many were surprised by the high level of Croatian Army equipment.

At the time of the comprehensive peacetime reorganization of the Croatian Army and the announced rearmament in accordance with NATO standards, General Zagorec is, as the minister's assistant for logistics, the most appropriate person to answer questions about the current equipment and about the future armament of the HV [Croatian Army, as well as development of domestic military industry.

[Galic] Mister General, what are the current priorities in purchasing armaments and military equipment for the Croatian Army?

[Zagorec] After the Dayton agreement was signed, the Croatian Army found itself in a completely new situation. The task in front of us is to create a small army, armed with modern weapons, capable of defense warfare in the whole territory of the Republic of Croatia. In arming such an army, we will rely, first of all, upon domestic production facilities, but we will also make concrete arrangements with industries of the states with which we have signed or we will sign contracts on military and technical cooperation. Such arrangements are underway with the United States, Turkey, Hungary, and Germany. In order to turn the Croatian Army into a modern armed force it is necessary to equip it, and that is the most important thing now, with the most recent command and information systems, with all the equipment which is usually a consistent part of such systems in the most modern armies in the world. The second priority is developing a modern anti-aircraft defense system, and that means the construction of the whole infrastructure. At the same time, that includes the purchase of the most contemporary radars and rocket systems. Besides, it is necessary to develop a complete system of covering all altitudes, starting from the anti-aircraft artillery and rocket systems that will cover low altitudes, and the latest rocket anti-aircraft defense systems to cover medium and high altitudes. The third priority is the addition to the rocket-artillery systems that must satisfy the criterion of an integral strike in-depth of the enemy up to 200 kilometers.

Rich Offer

[Galic] Can you tell us whether a concrete decision on the purchase of some combat system has already been made at this stage of reorganizing the Croatian Army?

[Zagorec] On the occasion of any future purchase of arms and equipment for the Croatian Army, we intend to meet NATO standards. Our wishes and needs are bigger than our capabilities. However, since Croatia is facing a strong economic recovery, one can expect that those wishes will come true more easily. You must also take into account the fact that the world arms market offers a wide range of products, and we will certainly study every combat system offered before we possibly purchase it. For the time being the most concrete thing we can say is that the Croatian Army is momentarily thinking about the purchase of the most contemporary

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radar systems, telecommunication systems, artillery, antitank rocket systems. That does not necessarily mean that we would have to obtain those systems from abroad, but we could produce some of them ourselves. There is a realistic possibility of cooperation with some foreign companies. Those are mostly defense systems produced after the NATO standard.

[Galic] Does it pay off at all to maintain domestic military industry, regarding small quantities? Let us take, for example, possible tank production.

[Zagorec] Before I answer your question, I must tell you that throughout the Liberation War Croatia successfully maintained production of M-84 tanks. The question of paying off is the question of the strategic decision of each state particularly when it is the size of Croatia. In the case of tanks, we expect that we could export them. As is known, Kuwait has bought a number of M-84 tanks, and there is interest in further sales, particularly to the countries of the Near East.

Apart from that, the pay-off is not reflected only in possible profitability. If you buy abroad, then you definitely give. Every independent state must be ready to and capable of, if it wants to remain independent, producing strategic military products in the worst conditions, that is, in war. So one does not ask here whether something is competitive or whether the quantity is big or small. Take Israel, for instance, with which we still cannot compete of course in the financial means available. Israel maintains its military industry although it is often not profitable. That is an example we should look up to, of course, in line with our financial abilities and economic situation in our country.

[Galic] The general public is familiar with the project of the new Croatian tank — Degman. The prototype exhibited last year had a 125-mm gun, and NATO standard tank gun has a 120-mm caliber.

[Zagorec] That is no problem. Degman can be very easily supplied with a 120-mm gun. Everything else is quite easy to adjust, that is, it is very easy to adapt it.

[Galic] Regarding that fact that the Croatian Army has formed itself in the conditions of the arms embargo so that one has bought what one could, there is no unique standardization of arms. So, for example, our infantry uses more than seven different kinds of caliber.

[Zagorec] The variety of calibers is the consequence of the reasons you have just mentioned. We were compelled to buy what was accessible, and that was mostly the weaponry produced after the standards of the former Warsaw Treaty countries. Besides, we had to equip our units with arms our people knew how to handle. For similar reasons we have started the production of VU [Warsaw Pact] arms because a number of people who once worked in the military industry of former Yugoslavia, and who have put themselves at disposal of the Croatian Army, were familiar with that system of production. Our goal is to acquire the NATO standard. Therefore we have tried, already during design and production, to make some products so that they can satisfy NATO standards. For instance, mortars and mortar shells, 60- and 120-mm. A part of sniper arms we produce ourselves, has standard NATO 7.62- and 12.7-mm calibers. Thus, in the telecommunication systems, we produce apparatuses that are completely compatible with the identical NATO systems of the same kind. In the last issue of HRVATSKI VOJNIK you could have seen one such RIZ [Radio Industry of Zagreb] transceiver, which is completely compatible with the same NATO apparatuses. Apart from that, today we can negotiate with foreign military companies like Alcatel and Tadiran. After all, Ericsson is already here. The process of standardization will certainly not be short. It can last for five to ten years depending upon financial support.

Volcano and Typhoon

[Galic] During General Grachev's recent visit to Belgrade, they have openly discussed future military and technical cooperation between Russia and "Yugoslavia." In other words, they have agreed on arms delivery to Serbia.

[Zagorec] The territory of former Yugoslavia, that is of "SR Yugoslavia," Bosnia-Herzegovina and Croatia, is still unstable. Therefore the international community closely observes all the processes over here and tries to control them. Particularly the process of accelerated armament. Sometimes that control is direct, but that does not mean, if the arms embargo has gradually been lifted, that then everybody will be free to buy arms without restraint. As far as General Grachev's offer is concerned, it is quite certain that after one such offer, the other offers to the opposite sides will follow automatically. The objective is to achieve a certain balance of armament. We believe that those countries that succeed in activating their own resources, either in their own military production, or in cooperation with other states, will have a faster pace of armament. Both "FRY" [Federal Republic of Yugoslavia] and Bosnia-Herzegovina and Croatia are countries just facing economic recovery, and none of them has some solid financial resources to make big acquisitions. All that arms purchasing, if it takes place, will be a matter of political arrangements, and they will have to be balanced.

We must take into account that all those countries wish to recover. Every drastic expense from a part of national income for armament, would be at the cost of

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the population's living standard. Because of that, and also, we hope, because of the democratic systems in which one decides, but also because of the influence of the international community, which wants to achieve a lance in this area, there will be no arms race.

[Galic] Belgrade NIN, dated 1 March 1996, says that there is a possibility of purchasing Russian MiG 29Ms for the Serbian Air Force. To what extent would such a purchase disturb the balance of power in this area?

[Zagorec] The Serbs have also so far had MiG 29s, true, version A, which was not a strategic advantage. Let us take for instance the "no-fly zone" above Bosnia-Herzegovina. That was one strategic and political move that excluded the use of certain means in the war, in that way brought to the balance of power. So warfare today is not only a conflict of equipment, but it is a total phenomenon in which primarily foreign and internal politics are involved.

If one analyzes comparative advantages, than it is certain that Croatia has the best opportunities regarding development of the military industry and cooperation with foreign companies. The best indicator of that is that in the period of five years our metal manufacturing industry succeeded in creating a respectable military industry. Without much financing for developing programs and investing we moved forward more cordially. Most of those programs are successful and have entered serial production. You must know that in Croatia in 1990 there were only two factories capable of manufacturing arms, "Djuro Djakovic" in Slavonski Brod, and "Imostroj" in Imotski, and both of them were manufacturing components only. Apart from the two, today, the arms are produced for the Croatian Army, and soon also for export, by Koncar, Torpedo, ZISS, ARMA, RIZ, Rapid, Rikard Bencic, Tesla-Ericsson, and many others. So far, a total of 51 domestic companies have signed a contract with the Ministry of Defense. All the manufacturers deserve credit for joining the military industry because their contribution had capital significance for strengthening Croatian Army combat readiness.

Ero Like Uzi

[Galic] Can you point to some particularly successful projects?

[Zagorec] We have managed to produce D30 howitzer, 122-mm. Croatian industry is entirely capable of producing all kinds of mortars. Apart from traditional mortars, there are two new generations of 60-mm Commando mortars, intended for quick action, and mortars with an extended barrel for an enhanced shooting range. After having acquired 122-mm barrel with a guide, VLR [multiple rocket launcher] 122-mm VULKAN [Volcano] and TAJFUN [Typhoon] have been developed and produced. In record time, one developed the Strijela 2M launcher mechanism, and the Strijela 10CRO self-propelled anti-aircraft defense system, which is a centralized system of command from the highest level to the battalion. Thanks to acquired knowledge, Croatia has developed its own observing-acquisition radar for low-flying targets, with digital processing, and a display of synthetic picture and automatic transmission and receiving of the target data and commands. We have also developed contemporary training simulators for Maljutka, Fagot, and Metis. In a short period of time we have also raised a TNT, which even Yugoslavia was not producing, and rocket fuel production facility. During the war, we were forced to copy some things, so our Ero is very similar to the Israeli Uzi. However, you must know that the accelerated development of the military industry has literally saved many companies which in those five years of war would have most likely lost any job. Thus, people were employed and the Croatian Army has successfully armed itself during the arms embargo.

Perhaps, in fact, most important is the recognition that Croatian industry can make a product in a very short period, develop it, and start serial production under war conditions. That means that in peacetime conditions we will be even more successful and move a step forward, but all the same we have to be aware of the fact that criteria for military production will grow more rigid and thus at the same time reduce the number of companies that will be able to survive and work in the conditions to be able to present their products also in the foreign market, which has very strict criteria regarding the quality of arms production.

[Galic] What are the chances for cooperation with the military industry in the territory of the Federation of Bosnia-Herzegovina?

[Zagorec] There are great opportunities for cooperation. First of all, with the factories in Travnik, Konjic, Vitez, Vogosca, Bugojno, and Mostar. A number of those factories has been more or less destroyed, and a number of them has continued to work successfully today. In any case, experienced experts have remained there, which is the most important thing.

[Galic] What was captured during Operations Flash and Storm? What is its value?

[Zagorec] We captured large quantities of different ammo. As far as arms are concerned, we did not capture anything really modern because they did not have anything like that. The best quality items captured were a certain number of M-84 tanks, the SA-6 anti-aircraft rocket system, and several smaller radars, so-called "Giraffes."

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The contribution of Operation Flash and Storm cannot be surveyed only in terms of war booty. The aforementioned operations are the largest investments in the history of the Croatian people because they liberated significant economic resources. We talk about roads, railroad communications, energy plants, but also about the creation of safe conditions for the tourist season. All this together reduces state expenses. Thus, the Croatian state will annually earn from the oil pipe alone very significant financial resources.

[Galic] Several training aircraft were captured at Udbina airport. However, they are not sufficient for successfully training Croatia's future pilots.

[Zagorec] At this moment, we are negotiating the purchase of training airplanes for training our pilots. We are considering Tucano and Pilatus. Those are two competing companies, and the one that offers better conditions will be chosen. However, the future is in front of us, and the lifting of the arms embargo will certainly provide even bigger opportunities to equip the Croatian Army with the most contemporary technical means and military equipment. The Croatian state has, despite war conditions and the total arms embargo, shown and proved that it is capable of overcoming even such problems and providing security and peace for the Croatian people.

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FYROM: Albania's Serreqi Meets PDP Official

AU0304203096 Zurich BOTA SOT in Albanian 3 Apr 96 p 6

[Article by the Kosova Information Center: "Alfred Serreqi Met the Coordinator of the PPD Parliamentary Party"]

[FBIS Translated Text] Prishtina, 2 April (QIK)—On his way to Bosnia-Herzegovina, Albanian Foreign Minister Alfred Serreqi spent several hours in Skopje. On this occasion, Serreqi held talks with Ismet Ramadani, coordinator of the parliamentary group of the Party for Democratic Prosperity [PDP—PPD in Albanian]. A report by the Albanian section of Radio Skopje, published by BUJKU, states that they discussed the current and political situation in Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] and in the region.

The meeting we held with the Albanian Foreign Minister Serreqi was not official, Ismet Ramadani confirmed. On his way to Sarajevo, Serreqi stopped over in Macedonia and used some of his spare time for a conversation on the current political situation in Macedonia. We agreed that the participation of Albanians in the state institutions should be affirmed, and we should insist on the accomplishment of issues for which Albanians have shown interest, such as the advancement of their status.

Minister Serreqi and I discussed the issue of language, its status and use, as well as the issue of higher education and Tetovo University in particular, Ramadani said. We also focused on political trends in Macedonia, such as the present collection of signatures for early elections, which may have underlying political implications, Ramadani stated among other things.

FYROM: Aegean Macedonians Want Unrestricted Greek Visas

AU0204082296 Skopje MIC in English 1 Apr 96

[FBIS Transcribed Text] The Human Rights Forum of the Macedonians from the Aegean part of Macedonia has sent a letter to Greek President Kostis Stefanopoulos, expressing its hopes that a way will be found of overcoming the burdens from the past in regard to the Macedonians from the Aegean part of Macedonia. Among other things, they want to be enabled to visit their birthplaces in the Republic of Greece without any obstructions or conditions, and in accordance with the principles of the Greek Constitution.

"Your Excellency, we, the former citizens of the Republic of Greece and our descendents, now citizens of the Republic of Macedonia, [The Former Yugoslav Republic of Macedonia] ask you to convey to the Greek people our sincerest wishes for prosperity and our well-intentioned wishes for peace, friendship, understanding and comprehensive cooperation in all areas of life," the letter from the Human Rights Forum of the Macedonians from the Aegean part of Macedonia.

The letter was signed by the Association of child refugees from the Aegean part of Macedonia from Skopje, the Association of expelled Macedonians "Aegean" from Shtip, the Association of refugees and children of refugees from Strumica, as well as the Association for the protection of human rights from Radovish.

FYROM: Opposition To Campaign for Early Election

AU0304104896 Skopje NOVA MAKEDONIJA in Macedonian 2 Apr 96 p 3

[Article by "G.D. and J.D.": "Liberals Will Demand Debate on Signatures"]

[FBIS Translated Text] Four days after the VMRO-DPMNE [Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian National Unity] and the DP [Democratic Party] submitted over 160,000 signatures to the Macedonian Assembly, parliament has not yet come out with any official reaction or announcement on the fate of the initiative for a referendum on early elections in Macedonia [The Former Yugoslav Republic of Macedonia—FYROM]. Yesterday, representatives of the two parties submitted an additional 40,000 signatures to the Assembly, which were collected as a condition for a referendum, in accordance with what the VMRO-DPMNE and DP had announced. As we know, after the express signature-collection campaign, in which the necessary 150,000 signatures were collected, they announced that in two weeks they would collect up to 350,000 signatures to support the request for early elections. One day after the signatures were submitted to the Archives of the Assembly of Macedonia, and after the papers had been counted, the results were published by the representatives of the two parties and by the Assembly experts. The results say that 161,563 proposals for a referendum had been collected, out of which 160,680 were individual, 339 were not signed, 457 were copies, 78 were incomplete, and nine were canceled by the proposer.

What Do They Say in the Assembly?

Yesterday we were not able to provide a statement by Macedonian Assembly Chairman Tito Petkovski regarding the further course of action related to the submitted and counted signatures. There was no information about whether the initiative for a referendum on early elections

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would be on the agenda of the next Assembly session. Only Igor Spirovski, the secretary of the Assembly, informed us that there are no new details regarding the initiative, but he promised to inform the public as soon as there are.

We asked the ruling parties and the parliamentary opposition for their opinion about this initiative, but only the Liberal Party [LP] responded. "It is dangerous to say that this initiative is unconstitutional, because that would mean that democratic processes are not in order in Macedonia," LP Vice President Risto Ivanov told us yesterday. "We believe that there must be an equitable view toward all such initiatives, and as far as this one is concerned, we believe that it is legal, and that it can neither be ignored nor can the recently adopted law on the collection of signatures be applied to it, because the atmosphere in which it was adopted was very apparent."

As Ivanov says, normal procedures should now be applied in relation to the signatures that have been sent to the Assembly, which means that the initiative must be placed before the Assembly deputies. The fact that the signatures have been submitted commits the Assembly to debate this issue, the LP believes. "First, we are waiting for the outcome of today's session. On the agenda is our party's initiative for the dissolution of parliament. Our further view will depend on this," says Ivanov. "If the initiative with 150,000 signatures for a referendum on early elections is not put on the next session, our parliamentary group will insist on it," Ivanov pointed out.

What Is the Opposition's Plan?

The views of the two parties in extraparliamentary opposition that support the signature-collecting initiative for a referendum are nearly identical regarding the future course of action. The VMRO-DPMNE and DP expect the Constitution to be respected. If that is not the case they will turn to the Council of Europe and the international institutions.

"As initiators and supporters of this civic initiative we have completed a part of what was planned, and I would say that this was the most important plan. Yesterday, over 200,000 individual signatures were submitted to the Macedonian Assembly for a republican referendum on early elections by the end of the year," DP leader Petar Gosev said. "Now it is up to the authorities to take the appropriate steps. They do not have a single legal argument for obstructing the referendum. However, our state is not governed by laws. It is not impossible for the 'group that was so bold as to take the fate of the country into its own hands,' or the group that says that the 'individual is not as important as the institutions of the system,' to suspend the Constitution and the laws once again, in the interest of 'higher interests,' that only they know of," says Gosev. According to him, one thing is certain—every attempt to ignore this initiative will mean rapid disqualification of the ruling power, disgrace in the eyes of the domestic and international public, possible unpredictable and negative consequences, and social and political tension in the state. "If they try to obstruct the initiative, we will first test all the judicial institutions in the state. At the same time, we will inform the relevant international institutions. If that is not enough, we have other political means at our disposal, but we will name them only if we need to. Nevertheless, I hope that the authorities will accept our suggestion for its 'gentle landing,' which is extremely important for democracy, for stability, and for the final start of economic revitalization of the economy," Gosev concluded.

According to Dosta Dimovska, vice president of the VMRO-DPMNE, if the authorities respect the Constitution and the positive laws, the Assembly of the Republic of Macedonia is obliged to make a decision on staging a referendum at its next session.

"It is a fact that this was an unprecedented event and that at the very day that the citizens' proposals were submitted, the illegal government tried to obstruct our action and put on its agenda under urgent procedure a law on collecting signatures. In fact, this was an attempt to prevent citizens from expressing their will, and we cannot explain this activity of the government and Assembly deputies in any other way," Dimovska pointed out.

As for the VMRO-DPMNE, the adopted law is unconstitutional and it will be brought before the Constitutional Court. However, it is emphasized that, despite everything, the initiative is being carried out without hindrance and it will continue until the middle of this week, with some exceptions, as in Kumanovo. Here there was an intrusion into the party offices with the aim of intimidating the members and supporters, and also citizens who signed in support of early elections. "Parallel with these activities, diplomatic offices in Macedonia, including the OSCE [Organization on Security and Cooperation in Europe], UNPREDEP [UN Preventive Deployment], and the Council of Europe have been informed. If our initiative is ignored, we will take appropriate steps in the international community and, as we have already said, we will submit copies of the proposals that we presented to the Assembly to the Council of Europe and we will explain again our initiative and seek support from international institutions for the realization of this civil right. We are aware that the authorities will look for ways to ignore and evade our common initiative, but the best thing for the ruling SDSM [Social Democratic

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Alliance of Macedonia] and the illegitimate parliament and government to do is to dissolve themselves and stop torturing the Macedonian electorate. It is indisputable that there is a real atmosphere for early elections and great disappointment in the present authorities. That is why it will be the least painful thing for the initiators and citizens if early elections are organized," Dimovska says.

FYROM: Reaction to Proposal To Dismiss Assembly

AU0404095696 Skopje NOVA MAKEDONIJA in Macedonian 3 Apr 96 p 3

[Article by "G.D." and "Z.P.": "There Is No Justification for Dismissing Parliament"]

[FBIS Translated Text] The first item on today's agenda of the 42d session of the Assembly of Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] was the Liberal Party's [LP] proposal to dismiss parliament. According to the text of the proposal, which will be reviewed today by parliament members, the Liberals suggest that the Assembly be dismissed by 15 September, during which time a package of laws on elections (election of members of parliament, electoral lists, and constituencies) and a law on civil initiatives and referendum should be adopted. According to the Liberals' explanations, parliament must be disbanded because the election coalition Alliance for Macedonia, in which they also participated up until 40 days ago, has been split up. We asked representatives of other parliamentary groups in the Macedonian Assembly for their opinion on the initiative.

For Tuse Gosev, SDSM [Social Democratic Alliance of Macedonia], the initiative is fully compatible with the country's Constitution and laws. However, every initiative that arrives in the Assembly does not necessarily receive support, he says, adding that the Liberals' proposal is not altogether honest. "The entire LP parliamentarian group has not signed the initiative, and their arguments about the Assembly's illegitimacy are not true, because in that case, the Liberals would be proclaiming themselves illegitimate as well," Gosev believes. In his opinion, any electoral coalition does not take away the legal subjectiveness of a party that runs in the elections because our majority election model denotes that the citizens simultaneously vote for the party and its candidate. "It would have been totally different," Tuse Gosev says, "if it had to do with a proportional election model and if the citizens had voted for the entire list. In that case, the LP's remarks that the principles of a particular political platform had been disavowed might have been true."

As Blagoja Filipovski, vice chairman of the Assembly and vice president of the Socialist Party, said, it is impossible to doubt the legitimacy of the authority because the coalition parties have a majority of 85 members in parliament. "The parliament is neither stopped in its work nor blocked because there is not a single law in our legal system that cannot be adopted," Filipovski said. In his opinion, he emphasized, "there is not a single justification for the Liberals' proposal to dismiss parliament or for early elections."

"I share the opinion of the coalition partners that there are really no reasons for early elections because there is neither a crisis in the government nor parliament, but we must respect the initiative and understand the wish of the opposition to come to power," says Ismet Ramadani, coordinator of the PDP [Party for Democratic Prosperity] parliamentary group. He also added that some matters are not totally clear in connection with the election laws and as long as new election laws, which will reflect the reality, are not adopted, regardless of the selected election model, there is no sense in going to a third set of elections with laws that were adopted in the previous system. Ramadani also added that the PDP will vote against the LP's proposal, or at least abstain from voting.

Rufi Osmani, PDPA [Party for Democratic Prosperity of Albanians] member of parliament, welcomed the Liberals' initiative, but, as he said, "the reasons that are mentioned in the proposal are very superficial." The reasons for which the PDPA members of parliament will vote for the proposal, according to Osmani, are much more crucial and essential. "We will expose all our arguments at today's Assembly session, and we will also present our proposal with which, we believe, the intention of the Liberals will be fully exposed and will show whether their proposal was serious or just for political marketing." As Osmani pointed out, the PDPA proposal is directed at the LP, asking its parliament members to submit irrevocable resignations.

These are mainly the stances and opinions of the representatives of a number of parliamentary groups in the Assembly of the Republic of Macedonia following the LP's proposal to dismiss parliament. Judging by what has been stated, especially considering the previous explanations of the Liberals, we can expect an interesting assembly debate.

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FYROM: Government's Response to Initiative Analyzed

AU0204093296 Skopje DNEVNIK in Macedonian 30-31 Mar 96 p 11

[Commentary by Branko Geroski: "Signatures That Cannot Be Ignored"]

[FBIS Translated Text] Procedure, they say, is the essence of democracy. Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] lacked a legal procedure for the collection of voters' signatures, as it still lacks many other procedures. To call upon the thesis that we have had laws from 1970 and that we do not need new ones is absurd: We had many things from 1970, but we have also adopted new ones because we are convinced that now we are doing it better.

It would have been better, of course, if the procedure for civil initiatives had existed before the opposition parties started their initiative for the collection of 150,000 signatures to hold a referendum on early elections. Nevertheless, objective observers seem to be placing the blame, whether for tardiness or hastiness, more on the arrogance of the authorities than on the impatience of the opposition. In the long run, it is not even that important. The final result is the same: The political stimulation of thousands of people can now be met with resistance and rejection.

There is at least one serious argument against the intention of the parties in power to apply the newly adopted law to the ongoing initiative of the opposition parties. At the time, the parliament accepted in procedure a legal text proposed by a civil association which, prior to that, just as the opposition is doing now, had collected the 10,000 voters' signatures necessary to place their proposal on the daily agenda (apropos the association of citizens with state-owned apartments).

Procedure is not a mere form—it reflects some kind of essential order of things. In this case, the essence of procedure is to determine two important things: first, whether the signatures are valid or falsified, and second, whether the signatories have the status of voters. The Government has a method, the means, and the time to check the two objectively.

In other words, the opposition's initiative cannot be ignored. Nor is anything of importance stated by the words: "The initiative is political, and not civil." That's a civil thesis. Of course, the initiative is political since the goals are political. In some other situation, the citizens may well initiate ecological or other kinds of goals, but no one can prevent them from also initiating political ones.

The initiative can be dismissed in the same way—politically. In his latest public appearance, Prime Minister Crvenkovski did exactly that. The opposition has the right to ask for early elections, and we have the right to tell them—sorry, but you cannot. His answer went something like that.

Today or tomorrow, the voters will decide who was right. Whatever happens, both sides probably have enough strength to check the text.

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Poland: Russian Deputy Prime Minister's Visit Reported

LD0304195196 Warsaw TVP Television First Program Network in Polish 1730 GMT 3 Apr 96

[Davydov's remarks recorded; relayed by Warsaw TV Polonia Network]

[FBIS Translated Excerpt] Russian Deputy Prime Minister Oleg Davydov said that during next week's visit by President Aleksander Kwasniewski to Russia both countries will sign a new agreement on visa-free travel and a transport agreement.

After the meeting with Prime Minister Wlodzimierz Cimoszewicz, Davydov gave assurances that Russia wants to broaden economic cooperation with Poland.

[Correspondent Lukasz Perzyna] On the second day of his Polish visit, the Russian deputy prime minister said that branches of two Polish banks will be set up in Moscow and two Russian banks in Warsaw.

The Russian government will support this undertaking which has yet to obtain the central banks' consent. Russia wants to increase trade volume with Poland. This will be made possible by the law on free trade zones which the Russian Duma has been working on.

[Davydov, in Russian with superimposed Polish translation] The Kaliningrad Oblast, because of its position, will most certainly enjoy economic privileges. That is why we are interested in the intensive development of this zone, also with the participation of Polish companies.

[Perzyna] Davydov said that cooperation in the field of military technology no longer has a strategic nature. It will, however, have an increasing significance for civilian economy. Russia is Poland's third largest partner in foreign trade.

Journalists also asked about the article published in a Russian paper about attacks on travellers on trains in Poland. They recalled that similar press reports appeared in the press before Prime Minister Viktor Chernomyrdin's visit 18 months ago.

[Davydov] You should ask the mafia about what they have thought out.

[Perzyna] Deputy Prime Minister Davydov also said that during President Aleksander Kwasniewski's Russian visit a visa-free agreement will be signed. The previous agreement was signed between the Polish People's Republic and the USSR. [passage omitted]

The Polish side would like to sign this agreement concurrently with the agreement on readmission. Under this agreement the Russians would be obliged to accept Russian citizens who would be expelled from Poland for violation of Polish laws.

Poland: Kolodko, Russian Minister Davydov Discuss Debts

LD0404104896 Warsaw PAP in Polish 1006 GMT 4 Apr 96

[FBIS Translated Text] Warsaw, 4 Apr—Ways of settling mutual liabilities and creating the appropriate financial instruments to support Polish companies' activities on the Russian market and Russian companies' activities in Poland were the main subjects of today's meeting between Grzegorz Kolodko, deputy prime minister and finance minister, and Oleg Davydov, deputy prime minister and foreign economic cooperation minister of the Russian Federation, the Government Information Center [CIR] reports in a press release.

Both Deputy Prime Minister Kolodko and Deputy Prime Minister Davydov confirmed the two sides' willingness to settle mutual financial liabilities. Among other things it was agreed that a meeting of experts who have been dealing with this issue for quite some time will take place in Moscow in May.

The Polish side expressed its willingness to share experiences in operating a credit guarantees system. It was decided during the meeting that cooperation between Polish experts and Russian specialists responsible for establishing in Russia an equivalent of Polish Export Credits Insurance Corporation would be useful.

The deputy prime ministers of the two countries expressed the hope that the present decisions will produce positive results in developing bilateral cooperation in the future, CIR reports in the release sent to PAP.

Poland: Military Supplies Accord Signed With Russia

LD0404110396 Warsaw Polskie Radio First Program Network in Polish 1005 GMT 4 Apr 96

[FBIS Translated Text] A Polish-Russian agreement on deliveries to Poland of Russian military equipment and services has been signed in Warsaw. The agreement was signed by Russian Deputy Prime Minister Oleg Davydov and Foreign Economic Relations Minister Jacek Buchacz. The agreement was signed at the end of the third meeting of the Polish-Russian Joint Commission for Trade and Economic Cooperation.

[Correspondent Kassa] Foreign Economic Relations Minister Jacek Buchacz said the agreement will ensure supplies of spares and equipment for our armed forces. He recalled that 80 percent of the Polish Army's equipment was manufactured in the former Soviet

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Union and this urgently needs to be repaired and replaced.

The agreement contains no elements concerning military cooperation, since that is an issue for the two countries' defense ministers.

During the proceedings of the Polish-Russian commission it was also agreed that it is necessary to liberalize trade exchange, establish branches of Polish banks in Russia and of Russian banks in Poland, and settle the property issues of the former Council for Mutual Economic Assistance. The so called zero option in settling mutual debts was also confirmed.

Deputy Prime Minister Davydov said the present level of trade exchange with Poland is too low and that he hopes President Aleksander Kwasniewski's visit to Moscow next week will provide new stimuli in this respect. He also said Russia would not like to link the agreement on visa-free travel between Poland and Russia, which is being prepared to an agreement on readmission.

This is Marek Kassa at the Foreign Economic Relations Ministry for the First Program.

Poland: Foreign Minister: West Afraid To Offend Russia

LD0304132996 Warsaw PAP in Polish 0318 GMT 3 Apr 96

[FBIS Translated Text] Warsaw, 3 Mar (PAP)— Foreign Minister Dariusz Rosati in an interview for the latest edition of WARSAW VOICE has said that despite the decision to expand NATO, western partners in talks with Polish politicians put forward "the argument of taking into account Russia's stance."

In addition, Rosati stressed the need of convincing the general public and public opinion in western countries "of accepting the need to include the countries of Central-Eastern Europe in the North Atlantic alliance."

The minister drew attention to the fact that U.S. Secretary of State Warren Christopher, during his meeting with foreign ministers of the 12 states of this region in Prague, "did not say in a way that precluded doubt that a schedule for accepting new members would finally be defined at the NATO summit in December."

According to the Polish foreign minister, despite the fact that in Prague Christopher "demonstrated the United States' determination in the matter of expanding NATO," then nevertheless "the position of the average American is different in this matter and the citizens of some European countries think along the same lines."

"In my view, German, British or Spanish public opinion is still not fully ready for an expansion of NATO and accepting Poland into its midst. All they are aware of is that they are stretching their defense commitments to cover a country that is somewhere far away and which, in addition, is next to Russia whom they fear," said Rosati adding that he could see "American and German politicians and those from the NATO headquarters making big efforts to overcome this indecision and resistance."

The Polish foreign minister noted that "in Moscow the rhetoric of the U.S. secretary of state was somewhat different than that in Prague," and this stemmed from the American tactics of "not pinning Boris Yeltsin to the wall ahead of the Russian presidential elections".

Rosati acknowledged that now that Aleksander Kwasniewski had become president "the matter of making the current political system seem credible in the eyes of those abroad" still remained an open matter. "Of course, foreigners accept the results of democratic elections but let's not kid ourselves—there is a certain observation, I have the impression, that we are constantly being subjected to tests by the West," he said.

The foreign minister thinks that the visit by Kwasniewski to Moscow scheduled to take place in April "is meant to be an act of rapprochement between Poland and Russia after a period of relations having become cooler." "This is why matters of security and of the expansion of NATO will not dominate the talks. It is also the Russian intention that this one matter should not impact on all others. Emphasis will be placed on areas which might lead us to close, friendly and good-neighborly relations: economic, youth, and cultural cooperation," said Rosati.

Poland: Deputy Foreign Minister on NATO, Russia

WS0304111496 Warsaw SZTANDAR in Polish 27 Mar 96 p 4

[Interview with Polish Deputy Foreign Minister Stefan Meller by Wojciech Gielzynski; place and date not given: "What Gets Delayed... Remains Unresolved?"—questions published in boldface]

[FBIS Translated Excerpt] [Gielzynski] President Kwasniewski is visiting Moscow in April. When will he go to Kiev?

[Meller] He will meet with the Ukrainian president soon.

[Gielzynski] Zbigniew Brzezinski, who is an old hand in politics, said recently that if Poland were to choose between NATO expansion and independence of Ukraine, it should select the latter option. Hence my question.

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[Meller] I am in a more difficult position than Professor Brzezinski, because I would not like to find myself in a situation which would force me to choose between the two. Both issues are extremely important to Poland. I share Mr. Brzezinski's view in that possibly the quickest integration of Poland with NATO is equally important; I tend to think of Polish-Ukrainian relations—and their position on the geopolitical map of Europe and the world—along the same lines. Ukraine is a problem of global importance. Its independence and strengthening of national identity are issues of key importance to Poland.

[Gielzynski] Let us return to President Kwasniewski's visit to Moscow. As often happens during the highest-level visits, will he find the time to meet with Zyuganov, leader of the Russian opposition, who will probably replace Yeltsin as the Russian president in three months' time?

[Meller] Preparations for President Kwasniewski's visit to Moscow are very advanced now, but I cannot say yet whom he will meet in Moscow.

[Gielzynski] An interesting thing is that when Russian Deputy Foreign Minister Sergey Krylov came to Warsaw a few months ago, President Kwasniewski was able to spare quite a lot of time to talk with him, although—in line with diplomatic protocol—he should have greeted him and let his foreign affairs experts, Mr. Lamentowicz or Mr. Majkowski, hold the talks.

[Meller] I do not share this view. Krylov came in a double capacity—as an undersecretary of state and, a day earlier or so, head of the Foreign Affairs Ministry [MSZ] and as a special envoy of President Yeltsin. He wore two hats, in a way. Special envoys of presidents are normally received by the highest state authorities.

[Gielzynski] Many commentators noted with great satisfaction that Minister Yevgieniy Primakov, who was said to be "tough," relented a little in Warsaw. Perhaps he no longer had to be tough because under Russian pressure the West had relented as well because it was scared by the Russian "no." Even our advocate Chancellor Kohl recently said in Moscow that the decision to enlarge NATO should be put off "to a more appropriate moment." Now, in politics, unlike in folk adages, what gets delayed usually remains unresolved. Perhaps the reason why Primakov is being nice to us on minor issues is that the most important issue is developing according to his wishes?

[Meller] The question is a long one and contains many interesting elements. Let me begin by saying that Pokrovskiy, an eminent Russian historian, used to say, quite brilliantly, that politics is history happening at the present. I know that history is always a long process and politics is part of it. Therefore, I would not agree with your opinion that "in politics what gets delayed remains unresolved." As is known, in real life what gets delayed will be resolved later, and politics is one of the more noticeable manifestations of life.

[Gielzynski] Do you reject the concept of "timing" [preceding word published in English], which is considered by many politicians and political scientists to be a certainty? Do you not think that unless decisions are made at the right time, the opportunity which can be seized at this time simply slips by?

[Meller] You insist on asking me those troublesome questions. I will say this bluntly: Of course there is a relation between our aspirations to join NATO and the relevant calendar, on the one hand, and the fact that the West is watching Russia's foreign and internal policies on the other; these are some kind of connected lines. I will say something else as well: strong men sometimes try not to show that they are strong. I think that this goes for Primakov. Thus, we can see different faces of the current Russian policy; we can see strength and searching. Russia is currently trying to find new foreign policy formulas, including a formula for relations with Central Europe—especially, perhaps, with Poland. I get the impression that we had a chance to witness the search for those formulas during Minister Primakov's visit... It was an extremely interesting visit because it allowed us to take a closer look at the Russian search. The second element: I do not think that something is "slipping by," because we are already at the stage of individual integration with NATO. Certain decisions have already been made.

[Gielzynski] However, it looks like others have gotten ahead of us—the Hungarians, the Czechs....

[Meller] I would not make such categorical statements, nor would I like to examine more closely such a delicate matter as someone's statements about himself. I am more interested in NATO's declarations. There is a common denominator for us, for the Hungarians, for the Czechs. We are all approximately at the same stage. NATO has either already made certain decisions or is making them now. Of course, NATO draws attention to both the internal situation in Russia and elements in its foreign policy. We, however, look at the issue in the following way: we want to join NATO as a military organization which guarantees security, and as a political organization as well. Naturally, since the world has changed since 1989, NATO is also changing and looking for new goals and for a new place for itself. However, although we are already integrating with this organization, it is important to us what it will look like

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when we actually join it. What we need is a NATO we can rely on. We do not intend to contribute any new "ideas regarding NATO." Nonetheless, as is known, we want to contribute our geopolitical position and historical experience.

[Gielzynski] The Russian Duma passed a resolution which invalidated the decision made by the Supreme Soviet of the Soviet Union on 12 December 1991 to dissolve the Soviet Union. After that, one could hear opinions which played this act down. Yeltsin said that it was a "scandal," but the resolution did not have any legal or political meaning. Does the MSZ also think that it is unimportant? It is certainly political-legal trash, but politics is decided not by resolutions, treaties, and declarations, but by the moods and pressure of the masses. The Russians are dreaming of reviving the empire and opinion polls are showing this.

[Meller] I would like to sound very serious now: even if the entire story on the restoration of the Soviet Union is trash, it must not be ignored. Even if we share the view that it is trash, then, hypothetically, it may become "an important part of domestic trash production." The MSZ is not ignoring it.

[Gielzynski] Now let me ask the fundamental question: does Poland have an eastern policy? If it does, is it a good policy? This raises doubts not in my mind, but in the minds of many experts. For example, Jerzy Giedroyc, the well-known thinker, is deeply concerned by the lack of an eastern policy. Do we have a strategy or a vision of it? Do we know where we are heading, or are we only reacting to events, such as the "Suwalki corridor" issue?

[Meller] This question might be the subject of a separate talk, so I will try to provide an answer by offering several points. First, I do not share the view that we do not have an eastern policy. What is more, I do not understand this view. Seven years have passed since 1989; we have gone through various phases during that time. First the goal was to lead Poland through the phase of normalizing our relations with our eastern neighbors in entirely different circumstances. This phase came to an end, thanks to [former Foreign Minister] Krzysztof Skubiszewski, among others. This was quite spectacular, because, after all, we signed a Polish- Russian treaty as well as treaties with the states which were established after the collapse of the Soviet Union; in addition, foreign troops are no longer stationed on Polish soil. If this was not a success, then what is success? Then came a very complex stage, because we entered the sphere of grudges, psychological phenomena on both sides. In our country there were anti-Russian attitudes, whereas in Russia we observed anti-Polish moods. This has not ended yet, but it is necessary to make efforts to achieve a success in this area. Unless Poles and Russians go to extraordinary lengths to overcome old superstitions and stereotypes, the entire sphere of politics will not be worth much. This is an extremely important thing. I do not think that this means much in a period of seven years. After the first stage of the policy which involved signing treaties and putting things in order, right now we are doing a lot to improve and normalize our relations with all the eastern neighbors. I reject this vague allegation that we do not have an eastern policy. It is unfair—not to the MSZ, but to Poland. [passage omitted]

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Romania: Iliescu Discusses Domestic, Foreign Issues

AU0304193696 Bucharest Radio Romania Network in Romanian 0838 GMT 3 Apr 96

[Introductory statement by Romania's President Ion Iliescu at his first news conference this year, held at Bucharest Cotroceni Palace—live]

[FBIS Translated Text] Quite some time has passed since we met in such a situation, so I would like to begin by discussing a few issues.

First of all, I would like to emphasize the fact that in this year's political arena, our society is being confronted with a number of essential problems of national significance and importance that must be addressed by the entire society and all political forces, with utmost seriousness. A distinctive note in this year's political life is and will be marked by the electoral confrontation, which has already been launched and which is getting stronger as we approach the elections. The risk of this race is that the real problems of our country, the problems with which the citizen is being confronted should be assuaged, placed on a secondary level, and approached exclusively from an electoral, party viewpoint.

Certainly, I am not against confrontation of ideas. The approach from various political viewpoints and from various levels could be useful, and are even necessary for the most comprehensive understanding of issues. However, an exaggerated party view and the emotional and passionate approach pose the risk of a superficial and one-sided approach that affects the general political climate, sacrificing the essence of the problems on the shrine of the circumstantial and ordinary interests. In connection with this issue, I would like to mention a few aspects linked to the electoral process.

As is known, at the beginning of this year, I had a meeting with leaders of the parliamentary parties. We agreed to make efforts in Parliament activity aimed at establishing the necessary priorities in the legislative process. This is to ensure a normal schedule for the preparation both of the local as well as parliamentary and presidential elections.

I appreciate the efforts made in this respect by the two chambers during this time. And from this viewpoint, there is a chance that this week the laws which determine the date of local elections will be finalized, although one can now notice a small delay in the initial schedule. Therefore, I think that it is an issue of major importance that the Parliament and then the government should finalize all measures, first of all this year's legislative measures, regarding the preparations for holding local elections in time, if possible until the end of May. As far as parliamentary and presidential elections are concerned, I see with astonishment that certain leaders are accusing the power, and I do not always know what they mean by this expression—the power—that it would like to postpone these elections. I do not understand the hidden motive of this game. Postponing these elections, and pushing them toward next winter would be harmful for the country and for the reform processes in our country. Nobody would gain from this act. Therefore, I believe that Parliament must strive to finalize the laws that are conditional for the parliamentary and presidential elections, so that these elections can take place in September at the latest.

I believe that this is vital, because taking into account the previous experience, there are a number of constitutional procedures that follow the elections, and which require some time before the new Parliament can start operating and time for negotiations between parties regarding the establishment of the new government. The new government, in turn, must have enough time to work out the its program and address the particular problems of ruling before winter. Hence, this is an issue connected with some objective circumstances and requirements in the life of the society. I believe that some parties have an the obsessive preoccupation with the electoral campaign, which certainly is an objective, natural, and necessary process. However, an emphasis on the passionate elements leads to a waste of time and energy, both the time of the political class as well as of society.

I believe that there is an excessive politicization of all society's problems, and that the specific solutions to those problems are being neglected. This can have a different effect than anticipated—among other things, it can have an effect on the electorate, that reaches a point of saturation from a prolonged campaign. At the same time, the excessive preoccupation, at this stage, with the presidential and parliamentary elections has relegated into the shadow the interest in local elections. But I believe that the immediate priority is to ensure the appropriate preparation and unfolding of the local elections. The election of appropriate persons to the helm of municipality, town, and communal communities is sometimes more important for the citizens of the respective commune or locality than the representatives in the central bodies. Or at least it is equally important for them.

Regarding the presidential elections, I have often said and I am going to repeat it, that my major concern is to exercise my current mandate and ensure the proper practicing of my duties incumbent on me according to the Constitution, to make my contribution to the stability of the country, and to ensure the balance of powers, also in the period of electoral confrontation. I have not yet

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expressed my decision to run for a new constitutional mandate, and I do not intend to do so until after the local elections. In fact, if we were to joke about it, I cannot afford to be concerned about my publicized image; I do not have time to stand in front of the mirror and learn how to appear better and in a more favorable light before the electorate. This is a privilege that belongs to those who have already dived into the campaign and announced their candidacy and are carrying out an intensive campaign. I wish them success.

Allow me to mention two issues that seem important to me. Yesterday, I attended the government meeting, which discussed two problems of utmost topicality. First is the conclusion of the phase of registering coupons and certificates in the process of large-scale privatization. I would like to stress the fact that, in spite of the inertia displayed in the first stage, it was fueled also by a sustained campaign of discrediting this action, and in the last weeks the registration centers were practically assaulted. People have eventually understood the meaning and advantages of this element of social compensation which has a social character, namely the distribution to the citizens of a part of the ownership of the units that are being privatized. They understood that through this mechanism of distributing certificates and coupons, these will be turned into shares and will give them a chance to acquire the status of shareholder and co-owner of the respective unit. Thus, eventually they understood the sense of this action, the fact that this is their right which they had better make use of. Therefore, I believe that one can consider this action a success, taking into account the situation prevailing on 1 January, when this stage concluded with the registration of about 75 percent of the coupons. Most of these coupons were registered with enterprises. The rest of them should be registered with the FPPs [Private Property Fund], with the five private property funds, exactly in the same way. It has been decided that the registration will be done at the same offices to avoid disrupting the process and to offer the chance to the remaining 25 percent to register their coupons. This time they will register with the private property funds that will turn into investment funds and will become the citizens' intermediaries in using these shares with various companies. Thus, by the end of this month, the remaining 25 percent will also have a chance to register, and I believe that moving this slower registration forward will give all of them the possibility to carry out this operation.

As I was saying, the initial inertia of citizens certainly has several psychological reasons. The process was somehow difficult and not sufficiently clear, mainly for the people in the rural areas, but also for people from other localities. This created the initial inertia, which was also deliberately kept up by an unreasonable campaign which wished by all means to discredit the privatization process and mark its failure, something that one could very frequently see in the pages of some newspapers.

Unfortunately, also those who call themselves supporters of economic reform and privatization were also involved in this obstruction action. Regardless of shortfalls, of the opinions that can prevail about the quality of the act that was drafted by the Parliament, namely the law on accelerating large-scale privatization, and of possible deficiency in the operation of what had been worked out, we are still talking about a fundamental, essential action of economic reform. And it is better to do something, even if it involves certain shortfall, than to do nothing. And in this case we are talking about a purposeful action of obstructing an essential component of the economic reform. Indeed, it is an essential part of the reform. As a result of this process, the private sector in the economy at the end of 1995 represented 45 percent of the GDP. This was the result of the two components, the emergence of the new private sector, of units that have appeared in the area of industrial and agricultural production and in the area of services, commerce, and tourism etc., and those which emerged from 1990 until now, after the first decree law was adopted by the Council of the National Salvation Front and later completed by the CPUN [Provisional National Unity Council], which proposed as a main objective to stimulate the emergence of this private sector, to stimulate private initiative. During this period, over 600,000 new economic companies, economic operators emerged. Their share in the national economy is important, in addition to the private sector in agriculture that resulted from the elimination of CAPs [Agricultural Production Cooperatives] and from the distribution of land. At the end of 1995, their share in the GDP reached 45 percent. The share of this sector was 12 percent at the end of 1991. I am saying in parenthesis, without taking the Vacaroiu government's side, there has not been any blockage of economic reform and privatization in Romania in the Vacaroiu government. This has been a historic period that we traveled together, all of us. Not only can we not talk about a blockage, but there was a propelling forward of this process. On the other hand, out of the over 7,000 enterprises that are the object of the large-scale privatization, 1,500 were privatized through the methods sanctioned in 1991 by law, through MEBO [Management and Employee Buy-on], free auctions, and others. Some 1,500 enterprises were privatized. The first one was privatized in 1992, in that experimental stage, three to four in 1993, and the rest in 1994, 1995. And today, we are going through this massive stage, when about 4,000 enterprises are entering this process. Around the end of

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the year, there is a chance that this sector will become the dominant one in the national economy. Therefore, this process in one of the essential and key processes of economic reform. Thus, it is astonishing that people who are speaking out in favor of reform and privatization have vehemently obstructed this process, starting from the stage of discussing this law in Parliament. One whole year was wasted with discussions in Parliament. There was a law that involved only two amendments to the basic law of 1991, one regarding some corrections in the social aspect of this process, that is, the situation of the coupons and recuperation for those who sold the certificates, pressed by need; and the second essential provision for the economic restructuring, that said that part of the sums and part of the money achieved from free sale of shares, should remain in the enterprises that are privatized. According to the law of 1991, these sums were put at the disposal of the FPS [State Property Fund] which also used them in this period of restructuring, modernization, modernization of products, technologies and others, thus the whole restructuring process. This is one of the major financial resources for us to sustain the restructuring. I see that many people have become economic experts today in Romania. I am talking about restructuring, so that everybody should know what I am talking about.

Germany is carrying out restructuring on the basis of the influx of capital that has exceeded a trillion German marks in a period of six years. Hungary and Poland had the privilege of open gates at commercial banks and have received: Hungary over 20 billion, and Poland over 30, almost 40 billion. We did not have this access. We had to support ourselves on our own resources. And this is one of our resources. Therefore, this reaction is surprising for me. Unfortunately, the political passion often clouds people's minds and pushes them to actions that are at variance with their own declared options and mainly against national interests.

At the same time, as we also discussed it in the government meeting, one should not ignore some organizational shortfalls that occurred in past stages. It is important to ensure the correct unfolding of the next stage, which, in this stage, means to ensure the registration of coupons with enterprises and gives each citizen the real status of shareholder on the basis of this operation. The Reform Council will also present the respective form to the public, and a shareholder's certificate is currently being worked out, which gives each citizen this status of shareholder at a certain enterprise, a certificate that he will receive sometime this year from the enterprise where he registered his coupons. This is one element and an important operation in which enterprises will also become involved. The coupons are being released centrally, but later are given to enterprises, which will distribute them to their own shareholders, that is, citizens who registered with their enterprise and have become their shareholders.

The second one is the operation incumbent on the FPS [State Property Fund] exclusively, that is, to sell the rest of the shares and assets that are being released to ensure financial resources to support the activity of restructuring and modernizing all units and ensure their effectiveness. This phase is essential and its meaning must be explained well. In this phase transparency is required along with a much clearer dissemination in the press so that everybody understands that all citizens and units are directly attracted to this activity today.

And finally, a second important government discussion that I wished to attend was concerned with the spring agricultural campaign. Early this spring we have an exceptional situation as a result of a prolonged winter. For a long time we have not had such a long winter, lasting five months. This meant the elimination of two essential periods for agricultural work. November always used to be a very active period for carrying out fall plowing operations. This was simply eliminated from the schedule. March has always been the month for starting spring agricultural work in the field. These two months were eliminated. The time required for the necessary activity has shrunk a great deal. Thus, an exceptional situation has been created requiring exceptional measures. Certainly, the major mission rests with those who own the land, the agricultural units, citizens, farmers who have land. However, supportive measures are also necessary. Although with certain delay, the Parliament adopted measures in support of the banking system to ensure the financial resources to assist agricultural units in this period. The measure regards the postponement of their debts, because they could not receive loans when they still had outstanding debts. A financial mechanism has been established so that people can receive credits in this period. All these measures will assist in the preparation of the car pool, ensuring seed, fodder, and more and will ensure the proper unfolding of the agricultural operations.

The active support of all those who are called upon is required, starting with the specialized bodies, banking bodies, and others, because we are talking here about an essential branch of the national economy, and, also about ensuring food for the population. And no matter who is the owner, the land is a national wealth and we all are interested in making the best use of it. The support granted in this vital and essential period to agriculture is a national duty for all factors who can act in this respect.

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During the government meeting yesterday, a number of specific measures were established for the central and county leaderships. The banking system must take immediate measures to ensure the application of the parliamentary decisions regarding the necessary flow of credits needed by agricultural units and producers in this period. Certainly, an adequate framework is also necessary to ensure control of how these financial resources are being distributed to producers with very precise destination. Several operations have to be finalized, such as repairing the car pool, ensuring its functioning in this period, ensuring fuel, ensuring high quality seeds and treating them with pesticide, ensuring fodder, and others. These resources should not be distributed at random, reaching their destinations through intricate channels for purposes other than what is intended, and this is the essential element of the law.

Thus, the main thing now is to recover arrears, to ensure the completion of all operations, and the cultivation of all fields to use the favorable conditions available. In fact, this long winter also has a positive side. We have the necessary humidity for a good agricultural year. And after two previous good agricultural years, with good crops, it is good to capitalize on this potential.

In connection with the agriculture I was accused—of course, this is something I got used to lately—of all kinds of things in our press, for example, that I would allegedly reject privatization in agriculture and that I would militate for the reestablishment of the former Agricultural Production Cooperatives. All of them are no doubt absurd and groundless accusations. Agriculture is a sector of national importance. It does not have a political aspect and the politicization of certain things in connection with agriculture and the attempts to acquire political capital on account of difficulties with which agriculture, people connected with agriculture, and the population are confronted is an incorrect game.

Our duty is to ensure the means and encourage all ways of exploiting and making great use of the land, regardless of the form of ownership.

This is the point where great confusion usually exists, confusion between the means of ownership and the forms of exploiting agriculture. Agriculture must use everything that has been achieved on an international arena, regarding modernization and raising the efficiency of agricultural production.

In connection with all this, I have often spoken out for the process of modernizing agriculture and raising its efficiency and its competitiveness. I also have spoken out against the artificial increase of the number of intermediaries between the agricultural producers, the financial market, and the agricultural product market. I have often spoken out for shortening the distance between the direct producer and the system of industrial processing and distributing products to ensure a proper supply of the market at accessible prices for citizens and increase the country's export resources. Agriculture must play an active role in the future of our commercial balance.

One can see that many things are maintained artificially. An entire campaign was carried out this year in connection with the so-called wheat crisis. Those who spoke out against the state's involvement in the economy criticized the government for not buying up all the wheat from the peasants. It was explained that the government cannot do this because it is no longer an economic company. There are other mechanisms today connected with the way of selling products. The government has limited budget resources and it bought just enough to ensure the stock of the country, the necessary stock for state reserves needed by the annual production to ensure the country's bread. Other than that, a wheat market has been established. And not only that, the peasant not have to lose anything. Some people where pressing them to sell their wheat at last summer's price. Meanwhile, the price of wheat went up on the world market. Therefore, all this excitement of last summer was artificial, upheld by completely obscure objectives, which were not in the interest of farmers or of the Romanian agriculture.

Today, producers have large quantities of corn and it is a favorable moment on the foreign market that must be used, both in the interest of producers and of the country for our commercial balance. All available means must be used in order to properly carry out the spring campaign.

And now for some foreign issues. In connection with my visit in the Caucasian region, I do not think I should elaborate again on my schedule, the issues discussed, or my talks there, as they have also been reflected in detail by the press.

However, I would like to make some remarks on certain comments, which amazed me as well. I have heard all kinds of assertions regarding this visit and its possible goals, considering that those countries are poorer than ours, or alleging that this visit might signal the eastward orientation of our international policy. Such interpretations ignore fundamental coordinates of current international reality and they reveal, I believe, the inability to go beyond narrow-minded patterns belonging to the Cold War period, when the East and the West used to be two separate political systems. To an equal extent, the interpretation of these things as conflicting ones simply ignores the fundamental interests of Romania, which would not benefit from isolation or the narrowing down

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of its cooperation possibilities but rather from the enlargement of its horizons and the multiplication of the specific advantages resulting from the deepening of its relations with all the countries in the region Romania is a part of, as well as the adjacent regions.

Above all, as I have already pointed out before I left and during the visit itself, this visit was intended to achieve objectives of an economic nature. It was meant to turn Romania's geostrategic position to good account by the establishment of certain direct transportation corridors linking the region I visited to Romania, and through Romania to the rest of Europe, using especially the new trans-European communication and transportation arterial, which is the Danube and the Danube-Black Sea arterial.

If one takes the energy and raw material potential of this region into consideration, that is, the one belonging to those three countries in the trans-Caucasian region, as well as the adjacent zone, the Caspian Sea and the countries connected to it, such as Kazakhstan or Turkmenistan, one realizes that this is one of the richest regions in hydrocarbon resources. Some experts assess that the oil and natural gas reserves of this region exceed the resource potential of the Persian Gulf. And these are reserves they have just begun to develop!

Those countries are interested in finding alternatives to communicate with the world. The sole communication way and the sole access route they have been able to use so far to sell their products was the one leading through Russian and Ukrainian territory. Even we imported both oil and natural gas from that region, with the mediation of Moscow. This road is not just long, but it has also become uncertain. So this region currently finds itself in genuine isolation. The state of tension in that region aggravated the situation. At present, Azerbaijan is blocked toward the north because their access route to Russia, both by railway and via pipelines, goes through Groznyy, in Chechnya. Currently Azerbaijan's borders to the Russian Federation are sealed off. Their borders to Turkey are blocked, too, due to the fact that a part of Azerbaijan's territory, 20 percent of it, is being occupied by Armenian military groupings. This is a country very rich in resources, but it lacks access to the outside world. Turkmenistan is also looking for access routes. Let me remind you that when President Niyazov visited Romania, this was one of our most discussed issues. Similarly, during last year's Bucharest summit conference of the Black Sea Economic Cooperation Zone, President Aliyev raised this issue as an essential one for them, namely to create a communication corridor between the Caspic Sea and the Black Sea regions, thus connecting that region to the European circuit. Therefore, our visit in that region, in those three countries, was received with exceptional political interest and seen as a way to interconnect, via the most direct route possible, that resource-rich zone and Europe.

I have also seen some distorted interpretations of my words. At a certain moment, in a comment I made during a news conference, I said that it would be interesting not just for us, but also for Europe, to achieve this junction with the trans-Caucasian and Caspic Sea zone; it is in Romania's interest in Europe, as well as that of Europe in Romania, if Romania were not limited to being a mere terminal in our interconnection to Europe. On the contrary, Romania should become a transit area, a connecting bridge leading to the trans-Caucasian zone, and therefore that corridor has to be rebuilt. As I said, we have to rebuild the old Silk Road, which used to link Europe to Asia. Together we found that the old Silk Road could be given a new quality, a new dimension, namely, it could become the road of oil, natural gas, and cotton to Europe.

One of the newspapers, which turned into its programmatic goal picking up the president's statements and misinterpret them, distorted the aforementioned statement of mine, claiming that I had talked about Romania's role as a terminal in our relations with Europe. Of course, this started an entire series of aberrant distortions on this issue. They did not even comprehend what I said. Nor have they reproduced exactly what I stated there, but they expressed their doubts. All right, perhaps I should not even mention other such aberrations. For instance, someone discovered that a secret meeting had taken place between me and President Yeltsin. At the time we were visiting the trans-Caucasian region, he paid a visit to Chechnya. I then tried to find out whether Yeltsin paid such a visit at all, because I knew very well that no such visit took place. I just mentioned this for you to see, where the aberrations of certain erring minds can lead to, of persons who do not refrain from anything, digging around to unearth all kinds of such things.

Second, this visit had a political significance to directly support the strengthening of the independence and sovereignty of those new states set up on the territory of the former Soviet Union. This is an aspect that should not be overlooked at all, considering the reactivation of the [word indistinct] proimperial forces in the Russian Federation. This visit would have allowed the display of certain stances repudiating the well-known declaration of the State Duma, including the statements made in that context by Mr. Zhirinovskiy on Romania.

Furthermore I see all kinds of speculations about our eastward orientation. This presumed orientation of Ro-

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mania's foreign policy is obviously perceived as being to the detriment of our relations with the EU, with the West European and transatlantic countries. This is a vision belonging to the imagination of certain politicians. They might be motivated by electoral considerations. However, the fact that such points of view are being backed up with all kinds of false arguments, and sometimes they do so even abroad, is detrimental to us at the international level. The facts contradict such narrow, politicking stances. Our association within the EU, our strategy for our integration, which was adopted last year in Snagov by a political declaration signed by all the political parties represented in Parliament, our permanent contacts at various levels with leading officials of the EU Commission and the EU member countries—all these are reality. The Partnership for Peace program with the North Atlantic alliance, which is appreciated as such by our partners, the dialogue to begin these days with NATO regarding our joining that body, our presence in the conference held yesterday and today in Vienna, in our capacity as founding members of the new forum replacing COCOM [Coordinating Committee for Multilateral Export Control]—all this is reality, too. Our frequent political contacts over the past year, including at the highest level with Western democratic countries, such as the United States, France, Germany, Great Britain, Italy, Spain, Belgium, and others, which will be continued this year at a similar pace, are reality, too. And then? On what grounds could anyone claim our so-called reorientation toward the East?

The issue is a different one. Romania's firm and natural orientation to integrate within European and Euro-Atlantic structures [words indistinct] as a natural interest, which is reflected in the meetings of the political parties, in the nationwide political debates, as well as the public opinion polls conducted lately. This orientation is included in the governing program and consequently implemented at the level of the presidency and the government, and cannot and should not be interpreted as something conflicting with our relations with our neighbors that are geographically close to us, including the Russian Federation and Ukraine, or, generally the other states that emerged in the former Soviet space. I have repeatedly emphasized that our integration within the economic, political, and security bodies of the European and trans-Atlantic states, to which we are connected by old traditions, cultural and civilization factors, as well as a common set of democratic values, is not directed against any other country. It lies in the interest of peace and stability of our region, and, generally that of Europe, that simultaneously with our integration within European and Euro-Atlantic structures, we should also further friendly cooperation relations with all the countries in our closer neighborhood, including Russia, Ukraine, and all the other independent countries which emerged from the former USSR. To this effect, we should turn to good account the principle of mutual advantages, our being neighbors and close geographic position, the complementary nature of our economies, and so on.

This is the significance of the recent meeting, too, held by the prime ministers of Romania and Ukraine, who tried to open new perspectives especially in the economic ties between our countries.

Furthermore, it is precisely our European and NATO integration that require us to conclude basic treaties with our neighbors, treaties placing our relations on the principles of international right.

Furthermore, let me briefly mention the issue of our reconciliation with Hungary. As you may know, recently in Bucharest we held an international conference dedicated to this issue, as seen from the perspective of the experience of the Franco-German reconciliation. This conference was attended by public personalities from Romania, Hungary, France, and Germany. I met with various representatives who attended this event. It was a positive exercise, appreciated as such by the participants. The Hungarian participants proposed that the talks should be set forth in a similar conference in Budapest. I believe that it is in our profound interest, both that of ours and of Hungary, to establish strong good-neighborliness and cooperation relations, based on the European principles and norms regarding relations among various countries. I sincerely believe that the Franco-German model can be useful for us, for the purpose of bringing us closer. There is no other interest here. And we should try to turn to good account the things accumulated in international experience in furthering relations, especially in the European context. Both we and they found resources to overcome national resentment, irredentist inclination, artificial preoccupation for the fate of co-ethnics living in the other country, leaving it up to the democratic institutions of our countries to approach and democratically resolve these problems.

In my opinion, we have all the prerequisites to embark on this historic road with beneficial consequences for both our countries, for stability and security in this region, for the European integration of both our countries and of our region.

The sole genuine obstacle in the way of this objective remains the insistence of the Hungarian party to lend international right substance, by means of the basic treaty, of a mere recommendation made by the Council of Europe Parliamentary Assembly, the contents of which, as a matter of fact, was ignored even by the council of ministers of that institution. Attempts to

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place the collective rights of ethnic minorities on legal grounds are not supported either by the theory of international right or by European political practice. Reality shows that the insertion of a direct reference to Recommendation 1201 in a bilateral treaty, namely in the one concluded by Hungary and Slovakia, not just failed to clarify these things, but even triggered reactions and counterreactions, which harmed the clarity both of the juridical norms and the relations between those two countries. The genuine European values in this domain are the ones acknowledged by all the European countries, which come from the Charter of Fundamental Human Rights and Liberties, and the latter are indefeasible rights of persons, rather than those of certain communities, be they majority or minority ones.

These are the few issues I wished to comment on. In conclusion, I would like to ask all politicians to conduct their electoral campaigns at home, here, in Romania, rather than in the DIE PRESSE or DER SPIEGEL, or by letters or complaints sent to the U.S. Congress, the Council of Europe, or other institutions abroad. Transmitting false messages about the situation in Romania harm not just or above all the politicians or their political parties, but rather the interests of the country. There are people, who are already complaining at various chanceries, although the electoral campaign has not even started yet officially, that the elections will be rigged and they are disadvantaged in the electoral race. Those who never tire of blaming Romanian political life for the worst possible things in the world ought to know that even if sometimes they are believed and perhaps even offered the illusion of support, all they can stir up in the eyes of the persons they complain to is amazement and contempt, which sometimes they are even told to their face. But this also reflects, quite unjustly, on the Romanians as a nation. It might be important if such politicians would ponder more about the fact that the practice of petitioning the sublime court disqualifies them as politicians and they might gain more in the eyes of their own electorate if they had the strength to confront those who try to bar, at any price, the ascent of our country, their false arguments being sometimes used as the ultimate truth by those who do not wish to see Romania achieve wealth and progress.

This is a piece of advice regarding the atmosphere that should be established and prevail in the coming electoral period.

I thank you for your attention and I am at your disposal.

Romania: Iliescu Answers Journalists' Questions
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[FBIS Report] Bucharest Radio Romania Network in Romanian at 0838 GMT on 3 April carries a live relay of a news conference by Romanian President Ion Iliescu from Cotroceni Palace. Before answering questions, Iliescu makes an introductory statement on domestic and international issues.

The 74-minute question-and-answer session begins at 0924 GMT with a question on the "likely regional impact" of the creation of the Union of Sovereign Republics of Russia and Belarus, including on Romania. Iliescu says that the "document signed yesterday in Moscow between Russia and Belarus is a sovereign act of two independent states." He adds that "it is not up to us to comment on that. It is their right, the right of everyone to do what they like with their own sovereignty. The right to sovereignty also means the right to renounce one's sovereignty. Therefore, seen from this angle, this is the political option of the two sides and it is up to the population and people of each signatory country to pass judgment on that. However, I do not believe that there is a chance for the revival of the imperial structures of the old USSR. We discussed and examined this issue with the presidents of the three republics I recently visited—Armenia, Georgia, and Azerbaijan—who actually were pretty outspoken against the idea of restoring the former USSR in any form. Nevertheless, the interest in consolidating certain economic relations and facilitating the development of their relations should not affect the independent and sovereign status of the Republic of Belarus, as I understood from the very statements made by President Alyaksandr Lukashenka. Therefore, we are dealing here with each country's right to choose the respective forms and it is not up to us to comment on such things."

Answering a question on the Romanian National Bank's intervention in favor of the agricultural sector, Iliescu points out that "there is no greater priority in our national economy at this time than supporting the effort in the agriculture" and "speedily opening credit lines for the agricultural producers."

In answer to a related question about alleged plans to establish a "single exchange rate for the leu vis-a-vis the U.S. dollar," he says that "neither the government nor the Social Democracy Party of Romania [PDSR] have ever interfered in the functioning of the banking system in Romania, which is independent and accountable only to Parliament." Iliescu adds that the government has "not intervened in any way in fixing the foreign currency exchange rates either." He assures the audience that the latest measures taken by the National Bank

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and the trade banks "do not amount in any way to currency restrictions," since "a single exchange rate for the leu-U.S. dollar relationship is quite unrealistic." These measures, he adds, "aim at regulating the currency market in order to ensure its better functioning." In this context, Iliescu refutes a "false allegation apparently launched by REUTER to the extent that Romania has taken restrictive steps against the foreign banks. This is a false and totally groundless piece of information."

Asked about the significance of the recent ratification of the Slovak-Hungarian basic treaty by the Parliament in Bratislava, "with the explanatory statement on the inapplicability of Recommendation 1201 on ethnic autonomy"—a statement that the Budapest Government considers as "devoid of any legal relevance"—Iliescu says that "the signing of this document proves that the inclusion in the treaty of a reference to a recommendation which raises more problems by itself would actually complicate the matter instead of clarifying and easing it up. In its desire to make a political gesture capable of paving the road for the development of ties with Hungary, the Slovak Parliament ratified the treaty but felt the need to make the appropriate clarifications on the implementation of these recommendations." Iliescu adds that "we have said from the very beginning that we will make no such concessions, since they run counter to the spirit of international and European stipulations and we must observe the regulations we have all adhered to. One should not introduce elements that can only perturb the political climate in either country."

Answering a question about possible "compensations for the damage incurred by our country due to the international embargo against Yugoslavia," Iliescu says that "we should have no illusions in this respect." He adds that, "from all contacts so far, it is pretty clear that there is no chance of us ever receiving any compensation for the losses incurred from this embargo. We were even told the following: You only did what everybody else did—namely, to implement the resolutions of the United Nations and the Security Council referring to Iraq, Libya, and Yugoslavia. Who should compensate you? You will get no compensation."

Asked about his plans to run again for the presidency, Iliescu says that he has not yet made up his mind on this issue. "However, if I decide to run, I will do it with the support of the PDSR."

In answer to a question about a possible Romanian-Caucasus cooperation in processing and selling oil and gas products, Iliescu says that "there is no doubt that this is quite a possibility." He says that this cooperation may include, "aside from Azerbaijan, Turkmenistan, Kazakhstan, and Uzbekistan as well."

Asked about solutions to "multiple social problems," Iliescu said they can be only found "by increasing Romania's economic capacity." This means "the further firm promotion of the economic reform, on the one hand, and the modern development of all national economic structures, on the other: the industrial production, the agricultural production, the modernization of infrastructure, services, tourism, and so forth." In this context, he adds that "the process of privatization is a first essential step of the reform, aimed at setting free internal resources for this process of restructuring."

In another order of ideas, Iliescu calls for greater "national solidarity" in "the common striving to ensure Romania's integration in the EU," which means that "we must make our economy, its legislative and institutional framework, and its mechanisms compatible with EU institutions." In this connection, he speaks out for "simplifying the privatization process."

Asked about a possible "increase in the role of the country's president in the effective running of the country," Iliescu said that "it took two years to work out the country's Constitution," which "has decided on the current formula. Let us implement it and let it take its course."

Answering a question about "draft projects for bilateral and multilateral cooperation with Hungary and the Industrialists Union of Hungary," Iliescu "welcomes the possibility of expanding these relations, including through direct contacts between the entrepreneurs of Romania and Hungary." Asked to comment on Hungarian Prime Minister Gyula Horn's statement that the ratification of the Hungarian-Slovak treaty "will stimulate the conclusion of the basic treaty between Hungary and Romania," Iliescu says that "it depends what we take over from that example, which we have known since last year, when Messrs. Gyula Horn and Vladimir Meciar signed the bilateral Hungarian-Slovak treaty in Paris. Therefore, we will not hurry to sign something that has no chance of being accepted by the Romanian public and Parliament. The two provisions of Recommendation 1201 are unacceptable to Romania, but they are not unacceptable only to Romania. The majority of European countries has not accepted this recommendation. We forecast at the time that the issue will become a bone of contention between Hungary and Slovakia, something that actually happened." Iliescu adds that "there are also other elements that can stimulate the completion of our negotiations for the conclusion of the Romanian-Hungarian treaty, primarily the direct talks."

Asked about the process of EU expansion, Iliescu speaks out "against any discriminatory processing of the Central European applicants."

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Answering a question about the construction of the Cernavoda nuclear power station and the plans to export energy to Ukraine and Bulgaria, Iliescu says that "Romania plans to expand the capacity of the Cernavoda station" in order to "cover mainly domestic needs."

Asked to what extent he thinks that the presence of the Romanian National Unity Party (PUNR) in the government might affect Romania's chances of being among the first to be admitted into NATO, Iliescu reminds the journalist that it is not up to him to decide who should belong to a given coalition, but that "it all depends on the structure of Parliament and certain other realities, whether you like it or not." He "does not see why this should affect anything, since all these steps—our joining the Council of Europe, Romania's adherence to the EU with associate status, our relations with the Western European Union, our entry as the first ones in the Partnership for Peace, and the negotiations on being among the first to join NATO—were taken in this period, with this government and its structures." Iliescu adds that "the politicians of the democratic world are more realistic and realize that life goes on regardless of certain governmental structures."

Asked about the efforts made to ensure the release of Ilie Ilascu, the Moldovan politician imprisoned in Tiraspol by the separatist Dniester authorities, Iliescu said "all possible efforts have been made in this respect" by "appealing to European and international bodies to exert pressure on those responsible," but that "no results have been obtained so far."

Asked about Romania's position on Taiwan, Iliescu said: "We have always had a very close relationship with the PRC. We have very good relations both in the political and economic spheres and we have always understood each other on all matters. We have always supported and endorsed China's position on the issue of Taiwan, as a Chinese territory, and on the development of relations between Taiwan and China, in the perspective of reunification, within the announced political context of one country with two systems. As China has managed to score results in this respect with Hong Kong, I believe that this prospect can become a reality in the future here, too. We appreciated the realistic way in which China's leadership has approached this problem, without forcing the issue and without introducing elements which might have hampered the natural evolution of things. As a matter of fact, we appreciated the very extensive economic relations between the two sides. I visited China's coastal regions and saw that many investors from Taiwan are present there. Therefore, these investors also have an interest in economic relations with mainland China."

Answering a question about the finalization of the Romanian-Russian treaty, Iliescu says that "negotiations are still under way on an appropriate formula." The main unresolved issue is how to approach the Ribbentrop-Molotov treaty and "denounce it as a treaty without any legal, moral, and historical basis, which has led to the arbitrary occupation of a foreign territory." Iliescu adds that "this does not mean that Romania has any territorial claims, since we are aware of the fact that nobody in today's Europe will support a change of borders between states." However, "we are looking for an appropriate formula to record this truth" and "thus assure the public opinion in Romania that such things will not happen again, namely resorting to force to impinge on the territorial integrity of a country." Iliescu adds that "in the end, I hope that we will reach an appropriate agreement."

Romania: Hungarian Party Leader Not Optimistic on Treaty

LD0204175996 Budapest Kossuth Radio Network in Hungarian 1600 GMT 2 Apr 96

[FBIS Translated Text] Bela Marko, chairman of the Democratic Union of Hungarians in Romania [UDMR], is not too optimistic about the future of the Hungarian-Romanian treaty. In contrast with the Romanian foreign minister, the UDMR chairman does not see a realistic chance for the signing of the Hungarian-Romanian basic treaty before this year's Romanian elections.

Bela Marko told the Vienna paper DER STANDARD that the treaty would legalize the present unfavorable situation if the paragraphs on minority rights are left out. In his view, Bucharest does not want to include any minority obligations in the document.

The UDMR chairman also told the Austrian paper that since 1989 nothing has changed in Romania in the area of minority rights. What is more, nationalism has intensified, extremist parties are involved in governing, and minority rights are being curbed more and more radically.

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Slovenia: European Parliament's Haensch on EU Membership

LD0204204996 Belgrade TANJUG in English 2026 GMT 2 Apr 96

[FBIS Transcribed Text] Ljubljana, April 2 (TANJUG) — European Parliament President Klaus Haensch on Tuesday warned Slovenia that it would not be accepted in the European Union if it did not fullfil all the conditions set by this, Europe's most influential political-economic association.

Haensch told a press conference in Ljubljana that Slovenia's road to E.U. membership was long even though it had met many conditions for getting closer to Europe's most industrialized nations.

The problem is primarily in thorough changes of its legislature, which would enable foreigners to own real estate in Slovenia.

With this warning, Haensch in fact backed Italy's demands for a return of property to ethnic Italians expelled from Slovenia's northern peninsula of Istria during and after World War ii.

Slovenia: Questions Regarding F-16 Affair Raised

AU0204195796 Ljubljana DELO in Slovene 29 Mar 96 p 3

[Commentary by Vladimir Vodusek: "X Files"]

[FBIS Translated Text] The Kaminsky case ended before the mysterious Mrs. Phyllis Kaminsky even arrived in the country. The backdrop to the affair forms the purchase of U.S. F-16 phantom aircraft, but it does not involve a polemic on whether the country needs fighter planes or not, but primarily a struggle for power and political influence among the political lobbies and clans, which, of course, is linked to money.

The struggle for political influence is legitimate by all means, the only problem is that some people have staked our country in the struggle for all or nothing — that is, its reputation, which cannot be bought on any arms market. "Enterprise Slovenia" — as the clans perceive the country — differs from other giants primarily in the sense that it should not allow itself to go bankrupt, especially not in the moral sense. The erosion of the state that we witnessed with the publication of document 1/55/df-96 is great.

While the struggle between the clans took place on the domestic ground, within the parliament, with the squabbles between the political parties, the people treated it as a side effect of democracy. When everything continued via anonymous documents by the civilian initiative, agents, and spies, some got scared. The people have a reason to be seriously concerned about the direction in which our country is headed. Judging by the initial reactions, the affair has international dimensions because the crisis headquarters of some foreign embassies, primarily the American, met last night. A serious question arises whether the state leadership has lost its bearings completely and no longer sees where the country is going.

The well-known differences between Gregorciceva Street (where the cabinet of the prime minister is) and Erjavceva Street (where the cabinet of the president of the state is) are not merely an innocent episode in the relations between Milan Kucan and Janez Drnovsek.

Drago Fers, director of the secret service, provided us with "a public scene" at the end of the previous week. He stated in front of rolling cameras that the foreign companies Revoz, Siemens, and Creditanstalt were engaged in intelligence activities. The prime minister reportedly nearly fell off hos chair when he watched the "in-depth" address by the director of the service on the television.

With "the public scene" Fers tried to force out his replacement by Drnovsek, so to speak. The director of the secret service has been striving for quite some time to make the prime minister retire him for health reasons and would like this to happen before the elections.

On Monday the prime minister provided assurances that SOVA worked well and that the director of the secret service was only a little "clumsy." Of course, he had definitely received a secret service report on the activities of foreign persons in the mediation businesses in the purchase of the supersonic aircraft. The document in question is the controversial report 1/55/df-96 that leaked to the public. The secret service was forced to deny the authenticity of the document.

The official version is that this controversial document was compiled on the basis of a real report by the government secret service which was supposedly falsified and then made public. Of course, it is altogether immaterial whether the document was created by the secret service or merely with its assistance. The information contained is rather accurate, and anyone outside the secret service who does not have access to the monitoring of international telecommunications, which is how the fax messages arrived in the country, would find it difficult to get hold of it. Even if the document is falsified, the secret service is responsible for its creation.

The document was not written merely for the prime minister but, bearing in mind the formulations contained in it, also for publication. The most confidential information of a primarily political nature that the secret service

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collects usually takes place in an oral and rarely a written form, unless it is designed to reach the public.

The secret service, for example, forwarded a report on TAM to the prime minister, but Drnovsek did not read it or he put it away in a drawer until it appeared in public. Although within the context of "the modern Slovene classics," some place the entire affair within the framework of the Jansa-Kucan conflict and see the civilian initiative, which has supposedly struck again, behind it all, it is nevertheless more likely that, on this occasion, some also tried to involve the opposition in the conflict in the top echelon of Slovene politics for coverage purposes.

Several questions arise here. First, about the work of all our secret services, their organization, and their management; second, about the supervision of the entire intelligence activity; third, about our secret services being "shot through" with foreign and internal spies. And last, about Slovenia's attitude to the world. Namely, if a country, through its services and representatives, acts as an uncivilized mass, then the question of whether it pays for foreign countries to deal with it is well justified.

Slovenia: Defense Minister Bars New Military Magazine

AU0404091596 Ljubljana MAG in Slovene 27 Mar 96 p 10

[Unattributed report: "Confiscated VOJSTVO"]

[FBIS Translated Text] VOJSTVO was destined to be a new expert military paper that was to come out within the Defense Ministry this February. The first issue was printed and initially forwarded to the minister and a selected number of people for inspection. Adamant instructions arrived from the top soon afterwards that no one should be given a single copy of the aforementioned paper. They also had to provide a list of people who "came in contact" with VOJSTVO in any way to Defense Minister Kacin. The reason? Minister Kacin did not like its contents.

Minister Jelko Kacin personally (by decree on 14 February 1996) approved the formation of the paper, appointed the editor in chief (Dr. Ivan Lah), and entrusted him with the program's framework, which supposedly departed from the tasks of the defense component of Slovenia's national security.

VOJSTVO (the confiscated issue) has 86 pages. Its level is very expert and in it one can find analytical and very informative articles on the military defense doctrine, military duties and criminal responsibility, the origin of the word "vojstvo," and other items of interest. Kacin was supposedly bothered by the interpretation of the military doctrine and his role in it. All the issues were carefully put away to stop them from falling into anyone's hands, although the new paper is officially registered with the Information Bureau of the Republic of Slovenia. Why such panic when VOJSTVO is being created exclusively by highly acclaimed military and civilian experts?

Slovenia: Future Economic Ties to Ex-Yugoslavia Surveyed

96BA0212A Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 26 Feb 96 p 22

[Article by M. Lakicevic: "Slovenia and the Former Yugoslavia: Economics Without Nostalgia"]

[FBIS Translated Text] *The old advantages have been lost and new obstacles have surfaced: GOSPODARSKA GIBANJA on the possibilities of Slovenia returning to the market of the former SFRY [Socialist Federal Republic of Yugoslavia].*

Slovenia expects that its exports to the countries of the former Yugoslavia could double in the relatively short term, even though in at least some of them the restoration of (foreign) trade relations could be burdened by political problems. However, the Slovenes are not planning to export only; on the contrary, they are very interested in importing intermediate goods, especially those that would allow them to lower their production costs and thus improve the competitiveness of Slovene goods on the Western European market.

This, in a nutshell, is the message from the analysis "The Development of the Markets of the Former Yugoslavia" by the well-known Slovene economist Franjo Stiblar, published in the December issue of GOSPODARSKA GIBANJA, the journal of the Republic of Economics Institute of the Ljubljana School of Law (the famous Bajtov Institute), the most reputable publication of its kind in the former Yugoslavia.

Bosnia-Herzegovina: $10 Billion

According to Stiblar, a large amount of foreign capital should be flowing into Bosnia-Herzegovina this year—between $8 and $10 billion. The largest amount is expected from Muslim states—around $2.8 billion—the European Union has promised $2 billion, and the remainder is expected from international financial institutions, where the majority would be provided by the United States of America. Two World Bank studies on economic recovery and the establishment of a market economy based on private ownership in the territory of the Muslim-Croat Federation, and thus excluding the Serb part, conclude that over the

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next three years around $3 billion should be invested, including $1.25 billion in the first year, i.e., this year. This $3 billion is subdivided as follows: 9 percent for water resources management, 11 percent each for energy and transportation, 9 percent for telecommunications, 8 percent for industry, 6 percent for education, 13 percent for health care, 10 percent for the construction of housing, and 7 percent for mine removal. Through direct aid in the form of food, Bosnia-Herzegovina should receive a total of $411 million by 1988 [as published].

Croatia: Stability and Growth

The Slovene economist believes that peace and foreign aid should allow the Croatian economy to grow by at least 10 percent. Inflation will remain at last year's level (3 percent), although the planned growth in the budget of 11 percent does not exactly fit in with the concept of stabilization. The kuna exchange rate will remain stable, while interest rates (currently around 25 percent) will drop gradually. There is a great deal of pressure on the kuna, especially since the foreign trade deficit is increasing, whereas last year the balance of payments was, in fact, negative. Nevertheless, a major influx of foreign exchange is expected this year from tourism, which means that, given the significant foreign exchange reserves, the country's external solvency will not be a problem.

This month Croatia is supposed to begin negotiations with the IMF concerning arrangements for the next three years. During the lead-up to these talks, in December of last year, the IMF delegation had positive things to say about the economic policy pursued over the previous period, but it also warned of the need to continue a restrictive monetary and especially fiscal policy.

Croatia's main economic goals for 1996 are to reform the banking system, to regenerate tourism (which yielded $1 billion last year, but $6 billion before the war), to build lines of communication, and to continue privatization, the results of which were harshly criticized at a conference of economists in Opatija.

Macedonia: Rapid Growth in Investment

Following the Dayton Agreement and the lifting of the embargo on Yugoslavia, and after improvements in relations with Greece, the external conditions that the Macedonian [The Former Yugoslav Republic of Macedonia] economy needs in order to take off again are significantly better, says Franjo Stiblar. However, Stiblar adds, the situation is still not ideal, and by this he is referring most of all to the pressure being exerted by Serbia because Macedonia allegedly rejected the Serbian proposal for a customs union and because of that "Serbia imposed very high tariffs," even though they did not exist during the embargo (which is true—EKONOMSKA POLITIKA note). Thus, Yugoslavia's foreign trade across the border with Macedonia was very significant.

For the first time in the 1990's, Stiblar emphasizes, the Macedonians are projecting growth in the social product—of 2 percent (2.6 percent for industry and 2 percent for commerce, while no growth is projected for agriculture). The standard of living will remain at the same level, while public consumption will rise by a scant 1.3 percent. From the viewpoint of economic development, certainly the most significant projection is a 9.6 percent growth in investment. Although exports should grow faster than imports (3.9 compared to 3.7 percent), the foreign trade deficit will remain large, which is also true of the overall balance of payments. Employment will continue to drop, although by an insignificant 0.6 percent, while prices will rise by 6 percent. Stiblar believes that the denar exchange rate will remain stable, and thus that one dollar will continue to be worth 43 denars. (In May 1993, the rate was 1 to 23, after which it fell to 1 to 46 in March 1993, followed by a slight rebound.)

The reorganization and privatization of enterprises and banks is entering its final phase this year. In order to successfully transform the economy, it is necessary to establish new legal frameworks, i.e., to pass a series of laws (a law on enterprises, foreign investment, bankruptcy, contracts, etc.), to pursue an appropriate economic policy, and to carry out structural reforms, Stiblar concludes.

FRY: Exotic State

The Federal Republic of Yugoslavia will remain the last stronghold in all of Europe of an economic system not dominated by private ownership and will be one of the last exotic states in the world, Franjo Stiblar concludes in his analysis of the economic atmosphere in (the remnant of) Yugoslavia. In this assessment, Stiblar does not forget to mention the example of Montenegro, whose opinion regarding the same matter is completely different from that of Serbia and where, he says, state ownership has been abolished. Otherwise, Stiblar bases his analysis primarily on official figures, or on plans adopted by the Serbian Government. Thus, a 20 percent growth in the social product is expected, together with a 10 percent growth in the standard of living, inflation of 35 percent, and a doubling of exports (achieving $3.5 billion).

Slovenia: Return to the Balkans

Franjo Stiblar contends that today Slovenia has reached the phase of mature economic growth that is character-

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istic of developed countries where economic growth is no longer the product of new capacities, so that high rates of growth are also hard to achieve. On the other hand, for a small, open economy like Slovenia's, whose production capacities are significantly greater than the domestic market's power of absorption, exports become a matter of "life and death," in other words, of key importance in reducing its lag behind developed countries in Europe and the rest of the world. In this context, the markets of the former Yugoslavia become exceptionally interesting and significant for Slovenia.

However, Stiblar continues, while Slovenia sold 50 percent more goods to the other republics of the then SFRY than to foreign countries in 1988, today that region's share of total Slovene foreign trade does not exceed 12 percent. As noted at the beginning of this article, Slovenia's interest in reestablishing trading ties with the countries of the former Yugoslavia is unmistakable. However, Stiblar does not fail to mention one other thing at the end of his analysis. To wit, the world economic powers have already joined in the fray for the ex-Yugoslav market and, regardless of ideological overtones and certain "unsettled accounts" from the recent or more distant past, "business is already being transacted." None of Slovenia's former advantages (the customs union) exist any more, and obstacles have emerged, naturally associated with events before and during the war. That is why the question of to what extent Slovenia will actually take advantage of its potential business opportunities remains an open one, Franjo Stiblar concludes.

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Federal

FRY: Milutinovic Meets With U.S. Senate Delegation

LD0304190196 Belgrade TANJUG in English 1741 GMT 3 Apr 96

[FBIS Transcribed Text] Belgrade, April 3 (TANJUG)—Yugoslav Foreign Minister Milan Milutinovic and a delegation of the U.S. Senate said on Wednesday [3 April] they believe that the two countries would continue active cooperation in the interest on strengthening peace and stability in the region.

It was stated that continual political dialogue between the Federal Republic of Yugoslavia and the United States presents a good basis for stepping up bilateral cooperation.

The U.S. delegation is headed by Republican Senator Arlene Specter from Pennsylvania.

Milutinovic and the U.S. delegation said that the international force was met with understanding and cooperation of all sides in Bosnia, all of which is reflected in the implementation so far of the peace agreement, especially its military aspect.

Underscored was the special importance of the preparations for the elections of both entities in Bosnia-Herzegovina (Muslim-Croat Federation and Bosnian Serb state Republika Srpska). The holding of the elections will contribute to the faster normalization of the situation, the return of refugees, restoration of communication links, especially the protection of citizens and their personal security and that of their property.

It was also said that the speedy economic reconstruction of the entire territory of Bosnia-Herzegovina is important and that it requires faster and more concrete material aid by the international community.

FRY: 'Best Possible' Relations Hoped For With Croatia

LD0204221896 Belgrade TANJUG in English 2155 GMT 2 Apr 96

["Pool" item]

[FBIS Transcribed Text] Zagreb, April 2 (TANJUG)—Veljko Knezevic, the head of the office of the government of the Federal Republic of Yugoslavia in Zagreb said that F.R.Y wanted to establish and maintain the best possible relations with Croatia.

In an interview to the Croatian daily GLAS SLAVIJE Knezevic said that normalisation of relations between Yugoslavia and Croatia is an intensive process and that there were good prospects of Belgrade and Zagreb fully regulating their relations to mutual satisfaction in due time.

In the interview published by the Osijek daily on Tuesday Knezevic stressed that Belgrade and Zagreb still had to solve very complex and delicate issues which do not leave room for improvisations, hasty or impatient moves.

"The issues have to be resolved in such a way as to for ever prevent the repetition of what has been happening in the past years between our two peoples," he said.

As an example he cited the Prevlaka promontory in the Adriatic, currently under U.N. protection, on the Croatian-Yugoslav border. He said dealing rashly with the issue would be detrimental because it could result in creating yet another problem.

FRY: Government Tightens Economic Controls

96BA0203C Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 12 Feb 96 p 8

[Article by M. Lakicevic: "A Strictly Controlled Economy"]

[FBIS Translated Text] "I rejoiced at Program 2, anticipating deregulation, because during the sanctions the internal blockade was often more difficult than the external one. That is why I was simply horrified by the news which I heard last night that the Serbian trade minister has been given the power to determine what can and what cannot be imported or exported. That means that we once again will have to beg the bureaucrats and wait for days for permits to conduct any transaction. And second, that the decision ignores the federation, so there is a question of whether now we have to go to Montenegro to obtain a permit to export or import some commodity." In more or less these words, Miodrag Babic, director of Hemofarm, commented on the most recent move of the Serbian Government in the domain of foreign trade relations during the discussion of economic policy in '96 organized last Tuesday [6 February] by the Board of Trade.

To recall, in a decree which took effect on 2 February the Serbian Government prescribed that prior consent of the Republic Trade Ministry is required for the importation and exportation of products in the sectors of agriculture, fuel and energy, the chemical industry, and the leather processing industry if they are subject to quotas.

Setting forth his opinion, Babic "qualified" a bit, saying that he does not have a detailed familiarity with the content of the decree, but a close reading of it unambiguously suggests the conclusion that with this enactment

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the Serbian Government has taken yet another major step toward a closed and strictly controlled economy.

"A great deal of administrative intervention, a great deal of corruption, that is the rule which has been confirmed in all countries which have tried to regulate economic life in this way," said Ljubomir Madzar on the same occasion, supporting Babic's basic idea. "Is this not a new domestic blockade," Madzar went on to wonder, "inspired by separate and trivially egoistic interests of those who want to take power over the economy and then make it pay off handsomely?"

"Now, some people are criticizing Governor Avramovic," Professor Madzar went on, "because the changes are not more radical and because the chance is slim of their being carried out. What is most interesting, the most vociferous of those critics are those who have actually been frustrating adoption of a more radical program.... It seems to have been expected that foreign capital would make it possible to initiate the production process and at the same time avoid the need for more radical changes in ownership, structure, and all other aspects. However, this has not happened," Madzar said, "above all because of the lack of confidence in the situation here, and the excessive administrative involvement and absence of a consistent and clear economic system are the main cause of that lack of confidence."

Miroljub Labus agreed with this in another meeting, a roundtable discussion of the Economic Committee of the Democratic Party, held the same day as the one in the Board of Trade. Labus cited as a particular reason for the lack of foreign investments the bad laws on foreign investments and free trade zones. Danijel Cvjeticanin, however, pointed out that we cannot anticipate foreign investors, at least not in any serious number, until there are domestic investors. Everyone would be surprised, Cvjeticanin said, how much investment capital our public has if they were certain that the funds they invest would not be confiscated in one way or another by some measure of the government. So long as domestic investors are uncertain, foreign investors will be too, Danijel Cvjeticanin concluded.

Even Barter Is Not Safe for Foreigners

This was confirmed in his own way by Dragan Nikolic, owner of Feman in Jagodina. Numerous foreign delegations have been touring Yugoslav enterprises, Nikolic says, but they are mainly selling goods, what is more, mainly for cash, they rarely and reluctantly consent even to barter arrangements, and no one is offering capital. Privatization is a necessary condition to get domestic production moving, Nikolic says, and in this context he makes reference to Montenegro, where the clear and firm commitment to privatization has already changed the psychology, and where deals are concluded more easily today, in spite of the crisis which prevails there as well.

According to Pavle Petrovic, the problems in this year's economic policy are related to government expenditure on the one hand and restructuring the economy on the other. Public expenditure, which has been planned at an intolerably high level, is the main reason for the intensified inflationary trends at the beginning of this year. Experience from the last several years shows that our economy simply cannot support a burden of more than half of the social product; nevertheless, plans for public expenditures in 1996 absorb even 70 percent of the social product. It would have been much better to plan public expenditure at a level of about 45 percent of the gross social product, even though inflation would reduce this to the true and possible measure. After all, in this regard inflation is a much worse solution, because it is more expensive and hurts the poorer strata of the population.

Bosko Mijatovic took issue in his speech with arguments made even in this gathering and fairly common among scientists anyway: namely, that anti-inflation policy and stabilization policy cannot be conducted without changes in the system, that is, without transformation of ownership. In Mijatovic's opinion, at least two important things can be done even before privatization. First, financial discipline can be instituted, and second, markets can be liberalized.

But the Serbian Government is obviously not ready for either of those things.

Serbia

Serbia: Arkan Says 'Serbian Volunteer Guard' To Disband

AU0204161996 Novi Sad DNEVNIK in Serbo-Croatian 30 Mar 96 p 5

[Commentary by Milan Bozokin: "'Tigers' Closing the Circle"]

[FBIS Translated Text] Even the last volunteer unit is being gradually demobilized. Zeljko Raznjatovic Arkan announced several days ago that his Serbian Volunteer Guard [the "Tigers"], which is currently based in Erdut, will be disbanded. Arkan made this decision because, as he said, the period of war is behind them, and it is quite clear that the Srem-Baranja region will be part of Croatia by next year.

The forming of volunteer formations was linked to the disintegration of former Yugoslavia and the breakout

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of war in Croatia and Bosnia-Herzegovina. The first volunteer units were formed in the summer 1991 by opposition parties. The Serbian Renewal Movement founded the Serbian Guard, the Serbian Radical Party formed the Serbian Chetnik Movement, the Serbian National Renewal formed the Dusan Silni volunteer squad, while Arkan founded the Serbian Volunteer Guard. Members of other parties used to go on the front as well, but they fought under the command of local Serb armies, unlike the aforementioned units, which recognized those armies' supreme commandership, but, on the ground, were almost fully autonomous in terms of organization and command.

It was known from the beginning on that parties were arming their members and preparing them to fight on the front, but nothing was done to prevent it. Even the former Yugoslav People's Army welcomed the volunteers and placed barracks and training facilities at their disposal. According to the available data, it was only at the very start that an attempt by Assembly Deputy Milan Paroski to organize a party-backed military unit was thwarted. Volunteer formations contributed a lot to the defense of the Serbian people. Since they were formed in secret, it is not known precisely how many party-backed units there were altogether, nor is it known how many of their members took part in fighting. According to some data, in the first round alone, some 35,000 members joined the Serbian Guard. The radicals sent between 30,000 and 50,000 Chetniks to the front, while other parties were far more modest in dispatching their members to the front.

The Serbian Volunteer Guard under Arkan's command is one of the strongest volunteer units. It was formed in 1990 at Oplenac. According to some estimates, more than 10,000 people passed through the Serbian Volunteer Guard training center in Erdut, and later fought in eastern Slavonia, Bosnia, and areas around Knin. The Serbian Volunteer Guard is one of few units that disclosed the number of dead or wounded members. Other parties keep silent on this matter, and, today, their leaders are endeavoring to hide any trace of their involvement in the war or in activities regarding the recruitment of volunteers.

Even though most of the volunteer units have been officially disbanded, they still exist. Experts assess that, at the moment in the FRY, on paper or in reality, around 70,000 people are organized illegally. This figure is quite frightening, indeed, all the more so since it includes 42,000 ethnic Albanians in Kosovo and 12,000 Muslims in Sandzak. Besides, some estimates point to the fact that several tens of thousands of small arms are privately owned by citizens. All this shows that the embryo of organization for military purposes has not been eliminated with the return of units from the front line and their laying down of their weapons. The best illustration of this is the existence of various private security services, racketeers, and debt enforcement gangs, as well as the frequent bomb blasts and automatic gunfire.

Serbia: Djindjic Queried On Accusations Against Marjanovic

AU0204171396 Belgrade NASA BORBA in Serbo-Croatian 2 Apr 96 p 5

[Report by S.N. Adamovic: "Hundreds of Millions of German Marks Are Disappearing"]

[FBIS Translated Text] Belgrade—The Democratic Party [DS] was the author of the advertisement in TELEGRAF, because of which the public prosecutor pressed charges against Dragan Belic, acting editor in chief of the paper. Its president, Zoran Djindjic, who was yesterday questioned in court by the deputy public prosecutor, took full responsibility for the contents of the advertisement that accused the republican prime minister [Mirko Marjanovic] of dirty wheat deals.

This was stated by Zoran Djindjic himself at yesterday's extraordinary DS press conference following the hearing in the republican court. Djindjic assessed that "this is not a legal, but a political conflict."

The past three years have seen the creation of a magic triangle of corruption in which hundreds of millions of German marks disappear annually, and which is run by the Serbian Government, the Directorate for Commodity Reserves, and companies whose managers are ministers in the government, the DS president said, and added that judging by everything, the Public Prosecutor's Office is also turning into an accomplice.

According to Djindjic, the dirty deals and scandals in the magic triangle have led to a state of affairs in which, this year, the people in Serbia will not have enough wheat for food. We shall have to import wheat if it is true that there are no more than 500 to 700 thousand metric tons of wheat in the commodity reserves and if this year's yield will be 1 million metric tons, since Serbia needs 2 million metric tons of wheat to survive from harvest to harvest, Djindjic said.

Stressing the fact that the entire legal proceedings focused on who insulted the prime minister, and that no one was asking whether, perhaps, public interest was at stake, Djindjic yesterday said that this was not an isolated incident or individual abuse of power, but that it was a "systematic abuse of power that has been cultivated to perfection."

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Addressing the monopoly that the Serbian Government introduced, Djindjic stressed yesterday that the government first set a very low price for wheat and then, through the Directorate for Commodity Reserves, "actually stole it from the producers" at these same low prices. According to the DS president, the Directorate then sold the wheat at the same low prices to the ministers' companies, who, in turn, placed it on the market through other companies and at four times the price. What makes the whole case even more complex is that this causes artificial shortages of foodstuffs, the Democrats' leader concluded.

Answering a question about the possibility of the authorities banning opposition parties, the DS president said that "everything depends on the assessment of the authorities themselves."

According to Djindjic, the campaign that the regime has been conducting for months against the DS and the Serbian Renewal Movement reflects the Socialist Party of Serbia's nervousness in an election year. This is the first time that the entire opposition has been dubbed criminal, which is a new concept in comparison to the last five years, the DS president concluded.

He also said that, unlike in the past, this is the first time that the Socialists are unsure of how they will end the election year, that is, who will give them the necessary majority.

Serbia: Prosecutor Hopes To 'Expand' Djindjic Probe

LD0304144796 Belgrade TANJUG Domestic Service in Serbo-Croatian 1112 GMT 3 Apr 96

[FBIS Translated Text] Belgrade, 3 Apr (TANJUG)—The District Public Prosecutor's Office in Belgrade today submitted to the examining magistrate a request to expand the investigation against Zoran Djindjic, chairman of the Democratic Party, in connection with an advertisement in the weekly TELEGRAF.

The statement by the District Public Prosecutor's Office passed to TANJUG says:

The District Public Prosecutor's Office in Belgrade today submitted a request to the examining magistrate of the District Court in Belgrade to expand the investigation against Zoran Djindjic, chairman of the Democratic Party, because he had submitted to TELEGRAF a text for publishing in which he exposed Mirko Marjanovic, prime minister, to public mockery in connection with his carrying out of official duties.

Thereby Djindjic could have committed a criminal offense of reputation of the Republic of Serbia or another republic in the Federal Republic of Yugoslavia under Article 98, Paragraph 1 of the Penal Code of the Republic of Serbia.

Kosovo

Kosovo: Serb Police Prevent Albanian Party Convention

AU0204202396 Pristina KOSOVA DAILY REPORT in English 2 Apr 96

[FBIS Transcribed Text] The Serbian police has effectively obstructed the UNIKOMB (Party for National Unity) to hold its planned convention in Prishtina [Pristina], capital of Kosova.

The convention was due to take place today (Tuesday) in the premises of the "Alaudin" Madrasa [Islamic seminary of a secondary school level] in Prishtina. The Serbian police has threatened the school management they will face consequences if the meeting is held there.

Naim Ternava, principal of the Prishtina Madrasa, was detained Monday [1 April] and interrogated for a couple of hours at the Serbian police headquarters in Prishtina. Mr. Ternava was told his school would be raided on and probably closed down in case the UNIKOMB party held the meeting there on Tuesday.

Meanwhile, the UNIKOMB has said it was postponing its convention for an unspecified date in the future.

The UNIKOMB party leader, Mr. Ukshin Hoti, has been in prison since 1994. He is serving a five-year prison sentence for political reasons.

President of the Republic of Kosova Dr. Ibrahim Rugova has been calling for the immediate release of hundreds of Albanian political prisoners, including the UNIKOMB party leader, who have been convicted by the Serbian regime in the past few years in Kosova.

Kosovo: Changes in Status of Kosovo Expected

96BA0213A Maribor VECER in Slovene 10 Feb 96 p 43

[Interview with Shkelzen Malici by Zarko Rajkovic; place and date not given: "Kosovo Is the Gangrene of Serbia"]

[FBIS Translated Text] *Shkelzen Malici represents himself just as a publicist from Pristina. Of course, he is, but he is also much more. Both Albanian and Serbian intellectuals consider him to be the best analyst of Kosovo events. He has avoided belonging to any party. He says himself that it is better that way and that it is the only way that he can remain critical of everyone. Malici is not absent from any political or academic forum where Kosovo is discussed. He also often travels abroad. He*

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has written several dozen books, and has appeared in dozens of leading world journals, and on television and radio stations.

In recent days, Kosovo has been full of foreign reporters. Malici says that they have scented something. If they have come, that means that something will happen. He himself does not expect anything spectacular, but adds that after long years of silence, Kosovo is returning to world media reports.

Borders Without Borders

[Rajkovic] How did you in Kosovo receive the decisions from Dayton? The different statements by Albanian leaders in Kosovo caused a lot of confusion, since they contradict each other. Will Kosovo also be included in a package for resolving the Balkan drama, or will that issue be left for later on?

[Malici] The Dayton agreement applies primarily to a part of the Balkan crisis. Its purpose is to end the war in Bosnia-Herzegovina, but it does not cover other potential crisis centers, like Kosovo. Dayton is thus a formula to end one war, but that does not mean that it will automatically prevent a new one. On the level of principles, however, with respect to the responsible strategy of the great powers, the Dayton agreement has to have a certain influence upon the resolution of the Kosovo or Albanian question as well. The principles applied in Bosnia, where concessions were made to the Serbs to some extent, and the results of the aggression and the war were partly recognized, must also be reflected in one way or another in resolving interethnic issues in the rest of Yugoslavia and in Serbia.

The Serbs cannot count on building their own ethnic state entity in Bosnia, and they would not agree to respect the same principle in Serbia itself. The disagreements and mutual exclusions among the Albanian leaders are occurring because the international community is insisting upon the formula of not changing borders, by restoring to Bosnia a certain degree of unitary sovereignty, but when they plan the same thing for future relations in the rest of Yugoslavia and in Serbia, that means that Kosovo will remain under Serbian sovereignty. The Albanians are now in a position in which they realize that they do not have the power to achieve what they want—an independent Kosovo or union with Albania—and they are therefore faced with great dilemmas over how they should act in that situation: whether to reconcile themselves to their fate, exacerbate matters and go for all or nothing, or try to get the most that they can and then gradually but persistently create the conditions for self-determination in Kosovo.

[Rajkovic] World political centers often repeat that the issue of Kosovo will be settled within the borders of Yugoslavia. How? Do you know anything more about this?

[Malici] They usually say that Kosovo has to gain broad autonomy, similar to its autonomy in the former Yugoslavia (the 1974 constitution). The formula of a high degree of autonomy for Kosovo has been in effect from Carrington's plan, and then also formally with the consensus of the great powers from the Washington agreement in May 1993, when they actually also unified their positions on resolving the Balkan crisis. They are not saying much about what that specifically means, however. Of course, that would have to be the subject of Serbian-Albanian negotiations. The Albanians will demand more and more decentralization and elements of statehood, whereas Serbia will insist upon the lowest possible forms of cultural and political autonomy, with the fewest possible elements of statehood for Kosovo.

[Rajkovic] You stated a little while ago that there were three factions among the Albanian leaders in Kosovo, headed by Rugova, Cosja, and Demaci. Which of them is the most realistic and closest to fulfillment?

[Malici] I said that three basic positions are crystallizing around those figures. We will see whether there will be a split along those lines. Academician Cosja, who sharply criticizes Rugova, is insisting on the option of union with Albania. Rugova is not retreating from the idea of an independent and neutral Kosovo, while Demaci has offered a proposed solution that offers the Serbs a compromise. He is requesting republic status for Kosovo within the framework of a renewed Yugoslav federation (Kosovo would have that status in addition to Serbia and Montenegro), while allowing for the possibility that the federation could later be joined by other state units (Macedonia [The Former Yugoslav Republic of Macedonia], Bosnia, Albania...). The first part of Demaci's idea could be carried out, but we will have to wait a while longer for Balkania. At one time I myself stated (after the publication of the Washington agreement among the five in 1993) that a Republic of Kosovo within the framework of a new Yugoslavia would be a sort of ideal mathematical compromise.

After Yugoslavia, Balkania

[Rajkovic] How and to what extent are Albanian leaders in Kosovo cooperating with Tirana? The statement made by Albanian President Berisha that there will be no union between Kosovo and Albania upset the political scene.

[Malici] Berisha, in a somewhat cruder form, expressed what is also being offered by international factors. Per-

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haps it was premature, but it was probably his intention to prepare the Albanian public to face reality, and mitigate Rugova's maximalist demands. In a way, Berisha recognized Yugoslavia's sovereignty over Kosovo, and thus also made it easier to begin negotiations between Belgrade and Pristina.

[Rajkovic] There have not yet been any official contacts with Belgrade. What about secret ones? How do you, as one of the leading intellectuals in Kosovo, view the possible outcome of these events? Would the Albanians be satisfied with broad autonomy, and having all human rights guaranteed?

[Malici] If there have been secret negotiations, they really were secret. There are no indications of it. As far as the possible outcome goes, I think that as early as this year there will be certain shifts, if not even a more permanent solution. People in Serbia are talking now about preparations for transforming the federation, which would have four or five units (Serbia, Montenegro, Kosovo, Vojvodina, and possible Sandzak). Although they say that these units will only be provinces, perhaps similar to the German laender, the very idea of such a reconstruction of the rest of Yugoslavia indicates a shift in Serbian policy toward compromise solutions. As it appears now, however, the possibility that it will be implemented is slight.

[Rajkovic] Do you have any information about the victims of police and political repression in Kosovo? In what forms is repression taking place now?

[Malici] Demaci's Committee for the Protection of Human Rights and Freedoms announced a few days ago that last year the Serbian police killed 15 Albanians. They also published a list of 250 political prisoners. The police repression is constant. The state of emergency declared at the time of the former Yugoslavia is still in effect in Kosovo. The old forms of police and military mistreatment of Albanians, such as raids, house searches, arrests, interrogations, the organization of staged political trials, the forcing of Albanians to leave Kosovo, the prevention of those who went to the West from returning, etc., are continuing. The Serbian press and the propaganda machine, however, are no longer as vocal in stirring up anti-Albanian hysteria. The Serbian elite, both political and cultural, including the nationalists, is now, in a way, deciding on a quick settlement of the Albanian question. Dobrica Cosic recently said publicly at a meeting of Serbian nationalists in America that Kosovo was the gangrene of Serbia and that it should be amputated. Even Seselj's Radicals are talking about how Kosovo is virtually lost to Serbia.

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